

An Adaptive Capability Framework for Maximising Off-Peak Senior Tourism in Culture and Heritage Micro-Firms

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of Doctor of Philosophy**



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Declaration

The author hereby declares that, except where duly noted and referenced, this research study and resulting thesis is entirely his own work and has not been submitted for any degree or other qualification in Waterford Institute of Technology or any other third level institution in Ireland or internationally.

Signed: _____ Noel Kelly,
April 2019

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This thesis is the product of collaboration between numerous individuals and embossing a single name of the cover belies the contribution of others. I am indebted to my supervisors, Dr Patrick Lynch, Dr Jamie Power and Dr Felicity Kelliher, who between them somehow managed to keep me from straying into irrelevancy and guided me through this process to reach a successful conclusion.

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Abstract

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This qualitative research study explores the role of adaptive capability development amongst tourism micro-firm owner-managers (OMs) in pursuit of the niche potential of the evolving senior tourism market. Projected demographic trends indicate that Europe is turning increasingly grey and that the tourism sector is one of the main beneficiaries of this transition. Nevertheless, beyond the marketing and segmentation literature, there is scant research on the potential of micro-tourism operators to strategically adapt to change through astute market sensing and resource transformation. Adaptive capabilities are especially relevant in resource stretched micro-firms, owing to the idiosyncrasies of the key decision-makers in continuously striving to configure their limited resources in new ways. This research adopts a subjectivist inductive approach, with the unit of analysis focused upon OM interaction with adaptive capabilities to facilitate senior tourism engagement. Primary data was harvested through 24 semi-structured qualitative interviews within the south east of Ireland.

Findings indicate the importance of the cultural heritage realm in attracting senior tourists; however, geographic location alone does not automatically infer superior competitiveness. Additionally, there exists among some OMs the erroneous belief that the senior market is homogeneous and their perceived insignificance belies their untapped market potential. Limited resources hinder the level of adaptive capability engagement in tourism micro-firms and such impediments include insufficient finances, skills deficiencies, diminished entrepreneurial intent and a misaligned strategic fit. This study further acknowledges the role of operational capabilities within tourism micro-firms and explores higher capability development in greater detail than has been the case heretofore. Operational capabilities were shown to be key factors in not only maintaining the daily operation of the firm but were also instrumental in defining the integrity of subsequent higher adaptive capability development. The findings also illustrated that for proactive OMs, the off-peak season was regarded as a period of creative development, rather than merely a time for mental and physical rejuvenation. Finally, this research facilitates the identification and development of higher level capabilities and in doing so, it contributes to the understanding of adaptive capabilities within the under-studied senior tourism sector and also within Irish tourism micro-firms.

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List of Abbreviations

DC:	Dynamic Capability
EC:	European Commission
EU:	European Union
GDP:	Gross Domestic Product
MF:	Micro-Firm
OECD:	Organisation for Economic Co-operation and Development
OM:	Owner/ Manager
RBV:	Resource Based View
SE:	South East (of Ireland)
SME:	Small and Medium Enterprise
UK:	United Kingdom
UN:	United Nations
UOA:	Unit of Analysis
UNWTO:	United Nations World Tourism Organisation
WIT:	Waterford Institute of Technology

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Glossary of Terms

Absorptive Capability: Combining external reconnaissance with tacit knowledge in a manner that will align with market intelligence and foster pertinent business opportunities (Wang & Ahmed, 2007).

Adaptive Capability: Making appropriate adjustments to the business and its strategic focus in response to fluid trading conditions (Schindehutte & Morris, 2001).

Capabilities: The minimum threshold of resources that is necessary to satisfy market requirements (Oliver, 2016).

Competitive Advantage: When a firm creates a greater utility for customers than competitors do, then such actions bestow upon it a competitive advantage (Sirmon *et al.*, 2007).

Conceptual Framework: A visual or written product, one *'that explains either graphically or in narrative form, the main things to be studied – the key factors, concepts or variables and the presumed relationships among them'* (Miles & Huberman, 1994: p. 18).

Dynamic Capability: *'The capacity of an organisation to purposefully create, extend and modify its resource base'* (Helfat *et al.*, 2007: p. 4).

Fáilte Ireland: Ireland's national tourism development authority. Its function is to promote Ireland as a holiday destination and assist domestic tourism businesses to market and manage their services and products (Fáilte Ireland, 2018e).

Greenway: A corridor of protected open space that is maintained for conservation, recreation and non-motorised transportation (Collinsdictionary.com).

Gross Domestic Product: The measure of the total output of an economy within a specified period (CSO, 2018).

Innovative Capability: Gaining advantage through new markets and products (Wang & Ahmed, 2007).

International Visitor: An international traveller qualifies as an international visitor with respect to the country of reference if: (a) he/ she is on a tourism trip and (b) he/ she is a non-resident travelling in the country of reference or a resident travelling outside of it (United Nations World Tourism Organisation, 2018).

Ireland's Ancient East: A tourism region in Ireland, broadly demarcated to the east of the river Shannon. It encompasses multiple themes spanning 5,000 years of heritage within a landmass encircling 17 counties.

Leveraging: Duplicating and adopting a system or process between business units or growing a resource base by utilising it in a new domain (Ambrosini & Bowman, 2009).

Market Sensing: A firm's iterative and measured ability to '*learn about customers, competitors and channel members in order to continuously sense and act on events and trends in present and prospective markets*' (Day, 1994: p. 43).

Micro-Firm: Under European classification a micro-firm has zero to nine full-time employees and has an annual turnover of less than €2 million (European Commission, 2016).

NVivo Software Package: A computer software programme designed to facilitate the analysis and management of large volumes of qualitative data.

Number of Persons Engaged: The term is defined as the total number of people who work within the firm and includes employees but also unpaid family members, working proprietors and partners working regularly within the business (European Commission, 2018).

Off-Peak/ Peak/ Shoulder Seasons: Kennedy & Deegan (2001) align the calendar year with the oscillations in demand, attributing the peak season to the months of July and August; the shoulder season to April, May, June, and September; with October through to March, encompassing the off-peak season.

Reconfiguring: Generating innovation from the interaction of knowledge and resources, by recombining and transforming firm assets and resources (Ambrosini & Bowman, 2009).

Resources: Amit & Schoemaker (1993: p. 35) posit that resources are '*stocks of available factors that are owned or controlled by the firm...and are converted into final products and services*' and can consist of tangible and intangible attributes such as intellectual expertise, financial or physical assets and human capital.

Resource Based View: A firm is a reservoir for knowledge creation, skills and resources, and the ability to modify, update and expand its unique skills, along with pertinent business metrics, differentiates that firm from sectoral competitors (Camisón & Monfort-Mir, 2012).

Resource Poverty: A term acknowledging the resource constrained environment within which most micro-firms strive to operate.

Seasonality: The term can broadly be termed the tendency of tourist flows to become concentrated into relatively short periods of the year (Allcock, 1989). Duro (2016: p. 53) further develops this concept and asserts that it is '*a distribution imbalance*' in the tourism phenomenon.

Senior Tourist: For the purposes of this research, it is proposed to adopt the European Union convention of 55 years of age (European Commission, 2015b), as the starting point for classifying a person within the '*senior*' category.

Sensing: Enabling decision makers to identify nascent business opportunities through techniques such as creating a spirit of open-minded inquiry; analysing competitor activity; scanning the periphery of the market and encouraging continuous experimentation (Day, 2002).

Seizing: Facilitates knowledge integration and creation into business acumen activities (Evans, 2016).

Strategic Fit: Developing strategy by identifying opportunities in the business environment and adapting resources so as to take advantage of these opportunities (Johnson & Scholes, 2002: p. 5).

Sustainable Competitive Advantage: This occurs when a firm implements a unique value creating strategy not currently being engaged in by current or potential rivals, and when these firms are unable to duplicate the merits of such a course of action (Barney, 1991).

Teagasc: The Agriculture and Food Development Authority – is the national body providing integrated research, advisory and training services to the agricultural and food industry and rural communities (Teagasc, 2018).

Tourism: A social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for not more than one consecutive year for personal or business/ professional purposes (United Nations World Tourism Organisation, 2018).

Tourism Ireland: Ireland’s international tourism development authority. It targets over 23 markets worldwide and reaching a global audience of up to 600 million potential travellers annually (Tourism Ireland, 2018).

Tourist: A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor), if his/ her trip includes an overnight stay (United Nations World Tourism Organisation, 2018).

Traveller: Someone who moves between different geographic locations for any purpose and for any duration (United Nations World Tourism Organisation, 2018).

Trip: A trip refers to the travel by a person from the time of departure from his/ her usual residence until he/ she returns. It thus refers to a round trip. Trips taken by visitors are tourism trips (United Nations World Tourism Organisation, 2018).

Visit: A trip is made up of visits to different places (United Nations World Tourism Organisation, 2018).

Visitor: A visitor is a traveller taking a trip to a main destination outside his/ her usual environment, for less than a year, for any main purpose, other than to be employed by a resident entity in the country or place visited (United Nations World Tourism Organisation, 2018).

Wild Atlantic Way: A coastal route 2,600 kilometres long, tracing the contours of Ireland’s Atlantic seaboard, stretching from Derry in the north to Cork in the south. It is currently one of the longest defined coastal routes in the world.

≤: A symbol representing ‘less than or equal to’

≥: A symbol representing ‘greater than or equal to’

Chapter 1: Introduction

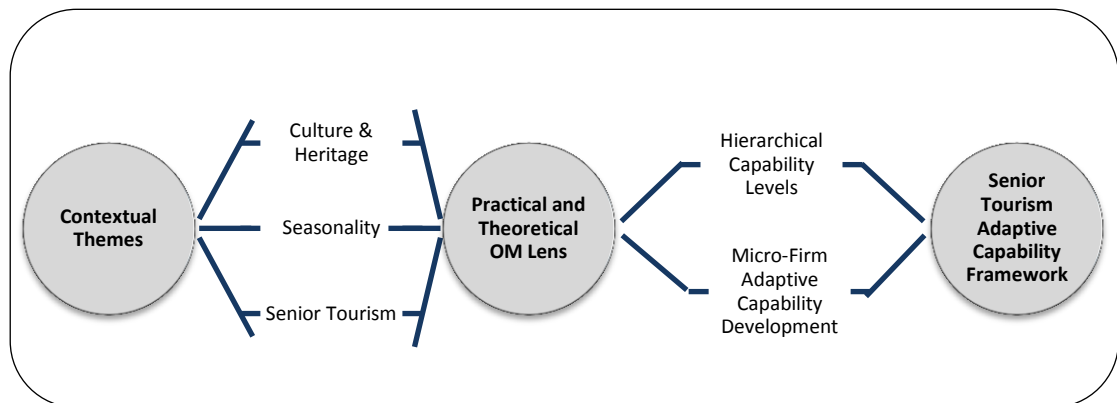
1.0 Chapter introduction

This chapter seeks to outline the rationale for this research study into developing an adaptive capability framework geared towards off-peak senior tourism in culture and heritage micro-firms. It introduces the reader to the contextual concepts of the cultural heritage domain, seasonality and senior tourism. While these concepts are on the periphery of the academic framework, they are nonetheless a vital part of the synergy between the research and the methodological environment. The pivotal lens for this research is through the owner/ manager (OM) perspective and how such decision makers within tourism micro-firms evaluate, synthesise and adapt their existing resources in response to nascent market signals. Therefore, the cultural heritage tourism sector within which micro-firms operate will be explored in terms of economic importance, cultural significance and a changing policy ethos. Encircling this context is the phenomenon of seasonality, which predictably disperses irregular tourism footfall throughout the calendar year and challenges OMs to adapt to the peaks and troughs of variable demand cycles. Traversing both these phenomena is the rising number of senior tourists that are amenable to the cultural heritage environment, while at the same time being indifferent to the seasonal restrictions of the calendar year. It is within this contextual milieu that the research takes place and endeavours to develop a line of best fit between academic themes and situational concepts.

1.1 Research justification

This study is a complex phenomenon that combines an array of themes and multiple diverse strands of research within an evolving theoretical substrate, Figure 1-1. It includes the potency of the senior tourism market, the vagaries of seasonal demand and the exploration of senior tourism adaptive capabilities amongst cultural and heritage micro-firms. Within the Irish context in which this study is carried out, the research has practical relevance in that it exists in parallel with current national policy decisions in terms of extending the trading season (Department of Transport Tourism and Sport, 2015; 2016b; Fáilte Ireland, 2019) and attracting new market segments (Fáilte Ireland, 2014b; 2016a). Firms that wish to survive competitive rivalry and the pressures of a turbulent trading environment should endeavour to embrace higher level capabilities (Zhou & Li, 2010; Wang, 2016).

Figure 1-1: Contextualising the Research



The planned modernisation and transformation of the tourism sector within Ireland over the period 2015-2025, prompts those firms that are embedded within the tourism landscape to foster *'the right mix of skills,'* as indicated to by the Department of Transport Tourism and Sport (2015: p. 6). One method of empowering firms to harness the niche potential of senior tourism and to profit from this alternative proposition is to facilitate the development of key adaptive capabilities. Adaptive capabilities may be regarded as *'the making of appropriate adjustments to the business and its strategic focus,'* involving altering strategic behaviour to create a better fit between the organisation and the competitive environment (Schindehutte & Morris, 2001: p. 84). These capabilities, which are a component of dynamic capabilities (Wang & Ahmed, 2007), enable a firm to assimilate the economic influences within the external

environment, in turn leading to the identification and maximisation of nascent business opportunities (Biedenbach & Müller, 2012). This concept reflects the capacity to redesign resources and stratify processes in response to emerging trends and demands (Gibson & Birkinshaw, 2004).

The micro-firms that populate the tourism landscape (Holden *et al.*, 2010; Kearney *et al.*, 2014) are a direct point of contact between the tourist and the culture and heritage realm. However, there is scant research into the area of culture and heritage tourism micro-firms (Schindehutte & Morris, 2001; Evans, 2016) and their interaction with the concept of dynamic capabilities (Teece *et al.*, 1997; Easterby-Smith *et al.*, 2009; Eriksson, 2014; Kearney, 2015). This study also addresses the call for additional research on how small firm owner managers (OMs)¹ cope with adapting to environmental stimuli (Schindehutte & Morris, 2001; Duarte Alonso & Bressan, 2014; Gherhes *et al.*, 2016); whether it is proactive, planned and strategic, or whether it is defensive, reactive and purely functional. The research focuses on micro-firms as a sub-set of the small firm cohort wherein the OM has direct control over resources, functions and decision making in these simple, informal organisations (Greenbank, 2000; Devins *et al.*, 2005; Kelliher & Reinl, 2009), allowing for rapid response to market changes. In theory, this adaptive capability is inimitable and allows micro-firms to implement strategies at a faster pace and respond to competitive positions more rapidly than those around them (de Mel *et al.*, 2009). However, the micro-firm OM has certain managerial shortcomings (O'Dwyer & Ryan, 2000; Faherty & Stephens, 2016) whereby capabilities tend to be developed by 'trial and error' and often in reactive response to market change. A lack of resources (Kelliher & Reinl, 2009), knowledge (Kearney *et al.*, 2017b) or competing managerial and operational demands (Lieberman-Yaconi *et al.*, 2010) can compound this issue, thereby promoting new research in the area. Surrounding these themes is the cultural heritage realm, which permeates throughout the tourism landscape providing a point of interest for the tourist and a means of economic survival for the sectoral practitioners.

¹ Small firms are defined as those firms with less than 50 employees and a turnover below €10m, while a micro-firm employs less than 10 staff and has a turnover under €2m.

1.2 Tourism micro-firms within Ireland

Small firms populate the Irish landscape and micro-firms in particular are endemic within the tourism sector both at national (Fáilte Ireland, 2015b) and international level (Baum & Hagen, 1999; Reijonen & Komppula, 2007; Thomas *et al.*, 2011). Micro-firms may be designated under several categories, such as annual turnover, firm size or number of full time employees (Greenbank, 2000; Devins *et al.*, 2005). The European Union's (EU) acceptance of micro-firm classification is regarded as being a firm with zero to nine full time employees (Matlay, 1999; O'Dwyer & Ryan, 2000; Kearney *et al.*, 2014; Reindl & Kelliher, 2014). This definition is also ratified by extant academic tourism literature (Chell & Baines, 2000; Schaper *et al.*, 2005; Duarte Alonso & Bressan, 2014; European Commission, 2016; Baumann & Kritikos, 2016; Kelliher *et al.*, 2018b). Internationally, there are different classifications of micro-firm size which vary from the EU convention, for example in Australia (Lieberman-Yaconi *et al.*, 2010; Campin *et al.*, 2013) and New Zealand (Samujh, 2011) where micro-firms are defined as having five employees or less.

Table 1-1: Firm Size Comparison

Firm size	Numbers employed	Annual turnover
Micro	≤ 9	≤ € 2 million
Small	≤ 49	≤ € 10 million
Medium	≤ 249	≤ € 50 million
Large	≥ 250	≥ € 50 million

Source: European Commission (2018)

Table 1-1 illustrates the EU classification of firm size differentiated by numbers of people employed and annual performance metrics. The term '*number of persons employed*' is defined as the total number of people who work within the firm and includes employees, but also unpaid family members, working proprietors and partners working regularly within the business (European Commission, 2018). Micro-firms account for almost 93 per cent of all small businesses (Irish Small and Medium Enterprises Association, 2017), as exhibited in Table 1-2. There is the tendency to acquiesce to the relative size, and not numerical frequency, and term all moderately sized firms as small firms. For example, Ateljevic (2007) references a New Zealand study of firms with less than 10 employees but uses the terms micro/ small business interchangeably. Similarly, Inan & Bititci (2015) disregard the European size convention and define a study of micro-firms within the manufacturing sector as having

20 employees or less. Gherhes *et al.* (2016) and Massaro *et al.* (2016) theorise that micro-firms cannot be recognised as belonging to the small and medium enterprise (SME) category (Table 1-1) because the categorisation is too generic and fails to detail the growth challenges that micro-firms face. Micro-firms are not merely a diminution of bigger firms (O'Dwyer & Ryan, 2000; Devins *et al.*, 2005; Campin *et al.*, 2013; Faherty & Stephens, 2016) but possess a different functional identity when compared to their larger counterparts in terms of business development and motivational triggers (Phillipson *et al.*, 2006; Garavan *et al.*, 2007; Reijonen & Komppula, 2007; Camisón *et al.*, 2016).

Table 1-2: Number of Irish Firms by Size and Persons Engaged in 2015

Firm size	Active enterprises	Persons engaged
Micro	229,471	386,725
Small	16,002	307,625
Medium	2,829	274,531
All SMEs	248,302	968,881
Large	540	434,100
All sizes	248,842	1,402,981

Source: Central Statistics Office (2018)

Table 1-2 illustrates that micro-firms are the dominant force within the Irish trading landscape and accounted for 92.2 per cent of all enterprises in 2015, employing one person in every four (27.6 per cent) of the workforce (Central Statistics Office, 2018). Irrespective of academic utterances on the subject, the figures in the table lend credence to the concept of micro-firms being a separate entity to SMEs and warranting distinct study. The statistics also illustrate that on average micro-firms employ less than two members of staff, and whereas this is by no means a definitive conclusion, it does serve to illustrate the denudation of staff within the sector.

Micro-firms are a prominent feature of Irish life, but possess their own unique identity and cannot be considered a miniature facsimile of larger firms (Welsh & White, 1981; Greenbank, 2000; Gherhes *et al.*, 2016). Morrison & Teixeira (2004) acknowledge the role that micro-firms play in perpetuating the tourism market; however, their significance within the sector is an emerging field of study. Thomas & Thomas (2006) and Camisón *et al.* (2016) suggest that the tourism experience is aligned to the smaller firms within the industry and that these firms permeate into the fabric of the overall destination experience. Reinl & Kelliher (2014: p. 117) concur that '*micro-firms*

dominate the tourism sector,' a view shared by others (Ateljevic, 2007; Lashley & Rowson, 2010; Brouder & Eriksson, 2013; Duarte Alonso & Bressan, 2014). Similarly, Holden *et al.* (2010) posit that although the tourism sector in Ireland is populated by micro-businesses, it is fragmented in nature. The Department of Transport Tourism and Sport (2015: p. 10) also acknowledges '*the contribution of communities to tourism*' and Irvine & Anderson (2004) link the development of rural tourism with small businesses and contend that micro-firms are endemic within the sectoral landscape. In summary, micro-firms are pervasive within the Irish tourism landscape (Fáilte Ireland, 2010) and by their very nature possess distinguishable characteristics that set them apart from larger firms within the industry (Gray & Jones, 2016; Massaro *et al.*, 2016). Such a proliferation of points of engagement for national and international tourists justifies the decision to incorporate them into the research study.

1.3 The cultural heritage tourism domain

Tourism is the fastest developing component of the global economy (Cracolici & Nijkamp, 2009; Phillips & Moutinho, 2014; Jarvis *et al.*, 2016; Estol & Font, 2016; Murray *et al.*, 2016), encompassing both geographical and demographic boundaries and making it a vital contributor to the prosperity of nations. It is defined by the United Nations World Tourism Organisation (2018: p. 1) as:

A social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for not more than one consecutive year for personal or business/ professional purposes.

The sector accounts for 10 per cent of global GDP, \$1.5 trillion dollars in exports and 1 in every 10 people work in the industry worldwide (United Nations World Tourism Organisation, 2017). The tourism industry in Ireland has rallied since the worst effects of the economic crash (2008-2010) and international visitor numbers to the country have been on a consistent upward year-on-year trajectory since 2010 (Tourism Ireland, 2017a). During 2018, there were 11.2 million overseas visitors to Ireland, generating €6.2 billion in overseas earnings and supporting 325,000 tourism related jobs across the island (Tourism Ireland, 2019). Ireland's tourism sector falls within the remit of two development agencies operating at national and international level. Ireland's national tourism development authority is Fáilte Ireland and its function is to promote Ireland as a holiday destination and assist domestic tourism businesses to market and manage their services and products (Fáilte Ireland, 2018e). On the international stage, tourism

activities are coordinated by Tourism Ireland, targeting over 23 markets worldwide and reaching an annual global audience of up to 600 million potential travellers (Tourism Ireland, 2018).

Discretionary activities are an important pastime for many, giving rise to the prominence of leisure pursuits amongst developed nations (Guiney, 2002; Chapman & Light, 2016). Such a rise in uninhibited free time and increased disposable income have generated a new lifestyle framework centred on tourism and recreation (Cracolici & Nijkamp, 2009). This evolving pursuit of leisure is highlighted by Camisón & Monfort-Mir (2012), who emphasise four characteristics that distinguish the sector from other services: (1) the standardisation of services due to the sectoral heterogeneity; (2) the dominance of small firms within a fragmented industry; (3) the reliance on external innovations over in-house R&D positions and (4) the existence amongst firms of a weak collaborative innovative network. These features pose challenges for practitioners within the tourism sector because the industry offers transparency of operation, with competitive enhancements easily replicated, thereby cajoling tourism practitioners to continually reinvent and remodel their offering (Hjalager, 2002).

1.3.1 Showcasing Ireland's cultural heritage realm

Ireland's burgeoning tourism sector is nurtured by its culture and heritage realm, catapulting Ireland upon an international stage and forging global links through the appeal of its scenery and the historical richness of its culture (Guiney, 2002). Cultural heritage tourism on a worldwide scale is growing in attractiveness, visitor numbers are rising (Gilmore *et al.*, 2007) and heritage sites resonate positively with international visitors (Su & Lin, 2014). Four out of every ten trips by Europeans are focused upon cultural tourism and this sub sector has been adept at navigating the economic recession (Council of Europe, 2015). Cultural tourism is defined as '*a form of tourism that relies on a destination's cultural heritage assets and transforms them into products that can be consumed by tourists*' (du Cros & McKercher, 2015: p. 6). On a holistic level, Ireland builds its reputation upon, and seeks to attract tourists through showcasing its majestic heritage (Guiney, 2002), and together with the scholastic and cultural accomplishments of its inhabitants, generates a tourism product that is '*more than the sum of its parts*' (Mehta, 2007: p. 115).

Cultural heritage attractions play an important part within the tourism offering on the island of Ireland, as highlighted by research into natural heritage sites such as the Cliffs of Moher (Healy *et al.*, 2016) and the Giants Causeway (Gilmore *et al.*, 2007). The moniker '*land of saints and scholars*' and the ubiquitous '*c ad m le f ilte*²' bestow upon Ireland a sense of cultural gravitas and affability which outweighs its position as a small island nestled on the edge of the north Atlantic ocean. The mythical children of Lir³, the ornate Book of Kells or the enigmatic Newgrange burial chamber are all examples showcasing Ireland's culture and heritage to a wide-ranging audience, spread before them like Yeats'⁴ '*heavens' embroidered cloths.*' It is this rich tapestry, interwoven with unique folklore, ancient monuments and genealogical ties diffused throughout the globe, which resonates with international visitors (Guiney, 2002). Cultural festivals and events, the intangible allure of natural and built heritage sites and a focus on counteracting seasonality are key administrative policies to promote Irish international tourism (Department of Transport Tourism and Sport, 2016b; F ilte Ireland, 2019). Couple this with a friendly population within a landscape of unspoiled natural beauty and it enhances the worldwide public perception of Ireland (Department of Transport Tourism and Sport, 2015).

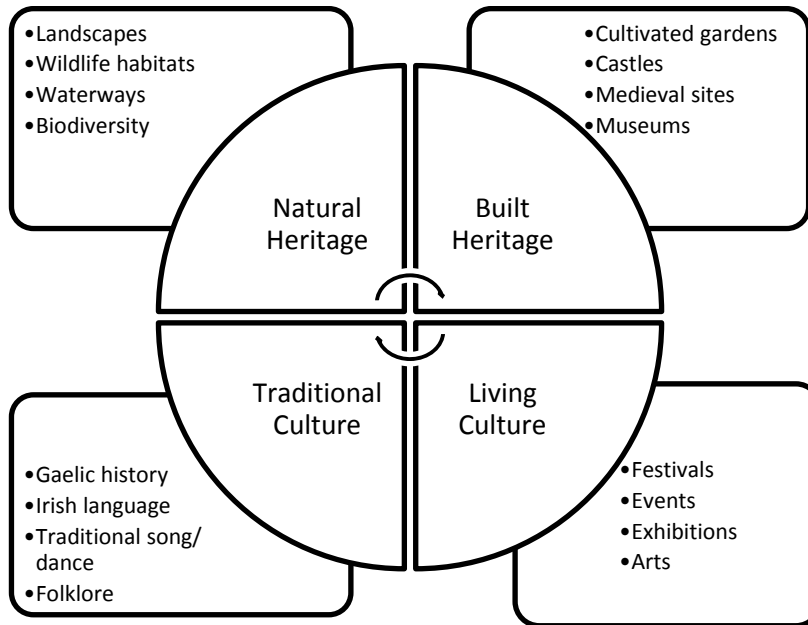
² C ad m le f ilte is a Gaelic term, literally translated to mean 'A hundred thousand welcomes'.

³ The Children of Lir is an Irish legend detailing the story of the four children of Lir, King and ruler of the sea.

⁴ WB Yeats (1865-1933) was an Irish poet and Nobel laureate for literature (1923). Extract is from his poem 'He wishes for the cloths of Heaven,' (1899).

Ireland's culture and heritage environment may be divided into four distinct but interrelated quadrants, Figure 1-2.

Figure 1-2: Examples of Ireland's Cultural Heritage Offering



Source: Fáilte Ireland (2018a)

Natural heritage encompasses the tangible geological landmass and the oceans, together with the flora and fauna that populate the region. Instances of human interaction on this environment constitute the built aspect. Ancient structures and dwelling areas, managed areas of scenic beauty and direct links to the past, are all examples of how such heritage comes to the fore. In unison with the natural and built infrastructure is the concept of traditional culture, whereby the tenuous links with antiquity are maintained through a modern sense of identity. Ancient stories and traditions, the national language (Gaeilge) and written records of the past, are some examples of this concept. Showcasing the richness of both people and place is the role of living culture. This is proliferated through national and local festivals and staged events by the wider community of artists, historians, state agencies and other interested parties.

1.3.2 The challenges of evolving stakeholder expectations

The central tenant of this thesis is to develop an adaptive capability framework to enable culture and heritage tourism micro-firms to maximise their senior tourism potential and in doing so extend their trading season into the off-peak period. An industry with tourism throughput numbers that exceed Ireland's modest population size would appear to warrant scant attention towards developing additional revenue streams. However, the buoyant growth in visitor numbers detracts from the subtle nuances within the tourism sector at policy and practitioner level. Nestled within the euphoric headline figures of a sector rebounding from the degradation of economic austerity (2008-2010), is the anomaly of tourism micro-firms failing to capitalise on this stellar growth. The tourism sector is experiencing a paradigm shift in the short to medium term: capacity constraints of the larger population centres have the potential to constrict future economic growth; trading patterns are truncated and irregular, and the tourism offering is ambiguous amongst the wider demographic segments (Fáilte Ireland, 2014b; 2016a). Tourism policy is moving away from the stereotypical image of Ireland as merely the land of *'a warm welcome'* and is encouraging sectoral practitioners to minimise their reliance on *'a hazy green image'* (Fáilte Ireland, 2016e) as a means of engaging with visitors.

21st century tourists are transitioning *'from enjoyment and novelty, to learning and cultural engagement; from goods and services, to customised transformative experiences'* (Falk *et al.*, 2012: p. 922). Mei (2014: p. 71) reiterates this view, illustrating that current tourists seek the consumption of unforgettable experiences rather than merely interacting with product offerings, as such they are no longer satisfied with paying *'just a visit'* to an area. Increased marketplace competitiveness, enhanced customer expectations (Murray *et al.*, 2016; Wei *et al.*, 2019), and a wider access to nascent destinations necessitates Irish tourism operators developing *'a global eye as well as local expertise'* (Fáilte Ireland, 2018d). Stamboulis & Skayannis (2003) state that there is a transition from generic superficial mass tourism and that such tourists have a greater affinity towards memorable experiences, through an immersion in cultural offerings. This re-imagining of Ireland's tourism product and the desire to shift the *'focus from overseas visitor numbers, to overseas visitor revenue'* (Department of Transport Tourism and Sport, 2015: p. 6) presents tourism firms with the opportunity to adapt their tourism offering in response to these challenges.

Therefore, it is imperative that proactive tourism OMs attain ‘*a comprehensive understanding of this changing environment and have a definitive plan for the future*’ (Fáilte Ireland, 2018d).

Such an approach augments well with the concept of tourism as an intangible product which must be experienced by the tourist, whereby the tourist becomes part of the tourism offering (Camisón & Forés, 2015; Evans, 2016; Park *et al.*, 2019). It also aligns itself with tourism policy which aims to offer ‘*compelling visitor experiences*’ (Fáilte Ireland, 2016e), thus validating the intention to anchor the research within the cultural heritage realm, with its wealth of imagery, symbolism and interactive personal engagement. Cultural tourism and the cultural attractiveness of an area play a pronounced role in equalising the effects of inconsistent demand on destinations and alleviating the problems attributable to the maturity stage of their life cycle (Cuccia & Rizzo, 2011; Figini & Vici, 2012). Such encounters have the potential to endow a location with a sustainable competitiveness which facilitates the lessening of experiential fatigue inherent within many legacy attractions and festivals (McKercher & Ho, 2006). The cultural heritage realm within which tourism micro-firms operate is impacted upon by the unescapable phenomenon of fluctuating visitor demand throughout the calendar year.

1.4 Seasonality as a tourism phenomenon

Despite the fact that tourism is one of the fastest growing activities in recent decades (Parrilla *et al.*, 2007; Evans, 2016), annual tourism demand variations are a recurring refrain in the literature (Krakover, 2000; Lim & McAleer, 2001; Rosselló & Sansó, 2017). Koenig-Lewis & Bischoff (2005) stress the omnipotence of tourism seasonality by stating that the concept remains a central theme in both academia and practical tourism policy management. In terms of chronology, Kennedy & Deegan (2001) attribute the peak season to the months of July and August; the shoulder season to April, May, June, and September; with October through to March encompassing the off-peak season. The term can broadly be defined as ‘*the tendency of tourist flows to become concentrated into relatively short periods of the year*’ (Allcock, 1989: p. 387). Koenig-Lewis & Bischoff (2005) describe the topic as a manifestation of the recurrence of patterns of visits that happen each year. Duro (2016: p. 53) further develops this concept and asserts that it is ‘*a distribution imbalance*’ in the tourism phenomenon. The tourism sector is very much demand driven: an intangible offering that cannot be

stockpiled and the customisation of services negates the possibility of mass production (Evans, 2016). Tourism demand is heavily influenced by traditional vacation behaviour, sporting seasons and social pressures (Butler, 1998; Baum & Hagen, 1999). The most important form of seasonality is the summer vacation period during the lengthy school holidays (Lim & McAleer, 2001) and this dominates the sector due to the influence of Western society upon the bulk of world tourism (Butler, 1998).

However, while seasonality is the most challenging aspect of tourism (Cuccia & Rizzo, 2011; Connell *et al.*, 2015; Duro, 2016), it is under-investigated (Higham & Hinch, 2002; Jang, 2004). The paradox of seasonality arises from the fact that although it is one of the most prominent characteristics of tourism, it suffers from scant comprehension and warrants further study (Higham & Hinch, 2002). The regularity of the event enables its ramifications to be anticipated (Getz & Nilsson, 2004) but there have been limited efforts in attempting to overcome the adverse effects of seasonality (Jang, 2004). Spikes in visitor footfall and revenue generation are problematic for the tourism sector, which would much prefer to moderate these extremes and channel visitor numbers into the shoulder season (Higham & Hinch, 2002). Such disparities within the trading curve are a major challenge for tourism destinations and encroach upon the efficient operational costs and procedures of tourism firms (Guiney, 2002; Cuccia & Rizzo, 2011; Connell *et al.*, 2015). This issue is also of concern for Connell *et al.* (2015: p. 283), who state that *'the felt consequences of seasonality, and attempts to mitigate these by tourism enterprises, are less well understood.'*

The discontinuity of trading within the off-peak season is not solely synonymous with the tourism sector, and the innovativeness of that sector remains under-researched (Hjalager, 2002; Sundbo *et al.*, 2007; Hjalager, 2010; Camisón & Monfort-Mir, 2012; Kearney, 2015). Absorbing the underutilised off-season would normalise trading patterns, redistribute staffing levels and lessen the financial distress of an inclement high season (Higham & Hinch, 2002; Cuccia & Rizzo, 2011; Figini & Vici, 2012). Combating seasonality is therefore a strategic objective of the tourism industry (Baum & Hagen, 1999). However, the response of key decision makers within the tourism industry to the seasonality phenomenon is poorly documented (Connell *et al.*, 2015) and Jang (2004) contends that additional effort is required to articulate practical solutions. Therefore, seasonality warrants further study (Higham & Hinch, 2002; Getz

& Nilsson, 2004; Connell *et al.*, 2015) to determine proactive measures to counteract its adverse effects (Jang, 2004; Rosselló & Sansó, 2017).

1.4.1 Seasonality in an Irish context

Inconsistent seasonal tourism demand is a global issue and Ireland is not immune to its ramifications. Countries closer to equatorial latitudes such as Spain (Alén *et al.*, 2012; Duro, 2016; Rosselló & Sansó, 2017), Sicily (Cuccia & Rizzo, 2011), Australia (Lim & McAleer, 2001) and Nigeria (Banki *et al.*, 2016) all struggle with seasonality. Similarly, cooler regions such as Scotland (Connell *et al.*, 2015), Iceland (Gil-Alana & Huijbens, 2018), the Baltic Islands (Twining-Ward & Baum, 1998) and Denmark (Getz & Nilsson, 2004) are equally impacted by seasonal demand fluctuations. Therefore, Ireland with its unpredictable temperate climate is not unique in this regard. Its tourism sector is heavily weighted towards the high season, with elevated levels of demand in quarter three (July-September) greatly surpassing those at the extremities of the calendar year (Central Statistics Office, 2016). Larger conurbations may be in danger of succumbing to a shortage of peak demand facilities, unless measures are introduced to chaperone growing tourist numbers towards the quieter calendar months and utilise the spare resource capacity synonymous with the off-peak season (Fáilte Ireland, 2014b; 2019).

The off-peak season is not economically barren, as up to 30 per cent of all annual overseas Irish tourism business occurs between September and December (Tourism Ireland, 2015). Thus, there is scope for tourism firms to exploit the niche potential of this market and maximise trading revenue by focusing on their higher-level capabilities, thereby embracing the aphorism of '*working smarter not harder.*' Cognisant of this, current Irish tourism policy seeks to match the spatial synergy between regionality and seasonality, channelling footfall volume away from congested conurbations at peak periods and into the less explored rural sectors at both a geographical and chronological level (Fáilte Ireland, 2016a). Additionally, there is a policy focus on offsetting seasonality by modulating fluctuating tourism demand through '*supports for festivals and events*' and '*the presentation of Ireland's cultural heritage and State owned...sites*' (Department of Transport Tourism and Sport, 2016b: p. 6). Combining the cultural offerings with the footfall of senior tourists would negate these shortcomings in terms of trip duration and penury of expenditure (Alén *et al.*, 2014; Borges Tiago *et al.*, 2016). Cuccia & Rizzo (2011) explored the potential for

cultural tourism to offset the effects of seasonality and resort unsustainability and although meritorious, it was not the sole panacea for the vagaries of fluctuating demand. Thus, a more imaginative approach may be necessary to harness the niche potential of senior tourism, within the mantle of a culture and heritage experience (Park *et al.*, 2019).

1.4.2 The impact of seasonality on tourism micro-firms

Tourism seasonality permeates throughout the literature (Butler, 1999; Lim & McAleer, 2001; Nadal *et al.*, 2004; Koenig-Lewis & Bischoff, 2005; Park *et al.*, 2016), due to its propensity to impact upon the sustainability and survivability of tourism destinations and associated businesses (Connell *et al.*, 2015; Banki *et al.*, 2016). The off-peak trading period (October to March) is especially challenging because seasonality intrudes upon efficient business procedures and skews the operational costs of tourism firms (Guiney, 2002). Seasonality materialises through fluid pricing policies, low annual returns on capital, environmental degradation and infrastructural congestion (Cooper *et al.*, 1998; Sastre *et al.*, 2015). It also negatively impacts upon staffing levels, continuity of employment and dependable sectoral knowledge (Ateljevic, 2007; Duro, 2016). Fluctuating seasonal demand further negates the ability to average out resources, leading to insufficient resources at peak demand and an under utilisation of capacity during off-peak periods (Butler, 1998; Krakover, 2000; Nadal *et al.*, 2004; Pegg *et al.*, 2012; Park *et al.*, 2016; Rosselló & Sansó, 2017). Jang (2004: p. 819) encapsulates such negative sentiment by stating that the phenomenon is '*one of the most unique and worrying facets of the tourism industry*' and such inconsistencies in tourism demand adversely impact upon the prolonged viability of tourism micro-firms (Banki *et al.*, 2016). Table 1-3 provides a visual synopsis of the main points of contention with irregular demand within the tourism calendar.

Table 1-3: Impact of Fluctuating Demand

Lack of capacity and overcrowding during peak demand periods
Seasonal unemployment gives rise to a transient workforce and higher welfare costs
Perceived price gauging during the peak period negatively impacts on perception of value
The community is socially inactive in low demand periods
Unemployment rises during off-peak seasons
Residents and visitors are unable to access closed facilities out of season

Source: Getz & Nilsson (2004: p. 19)

Cuccia & Rizzo (2011) propose that the negative economic impacts of seasonality far outweigh the few benefits associated with it. However, the impact of seasonal demand fluctuations are not entirely detrimental and in some instances act as a positive force within the tourism landscape. For instance, Cuccia & Rizzo (2011) assert that in some rural locations seasonality can produce benefits whereby tourism and agriculture complement each other and can contribute to unemployment reduction. Additionally, Figini & Vici (2012) counteract the negativity surrounding seasonality by observing that the concentrated influx of tourists during peak periods generates a welcome revenue stream to fund off-peak activities. Similarly, socio-cultural recovery and environmental rejuvenation occur during the low demand periods (Higham & Hinch, 2002) allowing tourism operators to recuperate from a busy trading period and permit regions of natural beauty to recover from sustained impact and over-use of facilities (Pegg *et al.*, 2012). This desaturation of extraneous footfall from a region further allows the local population to regain a sense of community and to enjoy the facilities, infrastructure and landscape without major inconveniences (Butler, 2001). Fernández-Morales *et al.* (2016) cite further instances of these positive regenerative periods such as facilitating maintenance and repair, being able to harness available labour at specific times and cultivating economic recovery. In a similar vein, Baum & Hagen (1999: p. 301) remark that a recuperative off-peak season provides '*some measure of rejuvenation before the commencement of the next season.*' Irrespective of the benefits associated with seasonality, the overarching ethos is to elicit the means of negating its adverse impact.

Cultural heritage micro-firms are the focal point of this study and seasonality impacts upon them in various ways. Within Europe, 95 per cent of tourism businesses are micro-firms and the majority of these are family owned and managed (Middleton, 2001; Gray & Jones, 2016). There is a paucity of research into the response of management to the phenomena of seasonality within the tourism sector (Connell *et al.*, 2015) and Banki *et al.* (2016) assert that tourism micro-firms warrant attention. Such seasonality is more often experienced by micro-firms, due to their less robust nature than larger firms and these seasonal variations adversely impact upon those micro-firms that are removed from the bigger population centres (Irvine & Anderson, 2004). However, an issue to be overcome is the fact that some OMs perceive that inconsistent visitor numbers and the effects of seasonality are beyond their immediate control (Ateljevic, 2007). Opening out of season is challenging and requires a higher degree of business acumen than during the commercially lucrative peak-periods (Sundbo *et al.*, 2007). Fluctuating revenue and visitor numbers compel many visitor attractions to generate innovative tourism offerings and to diversify outside of the peak period to maintain adequate turnover levels (Connell *et al.*, 2015).

1.4.3 Mitigating against adverse seasonality

Combating seasonality is a strategic objective of the tourism industry (Baum & Hagen, 1999) and the main sectoral issues around seasonality are focused upon the off-peak utilisation of capacity (Figini & Vici, 2012; Duro, 2016; Gil-Alana & Huijbens, 2018). As such, tourism businesses endeavor to negate the economic penury of the off-peak season by striving to accumulate sufficient financial resources during intensive peak-season trading (Park *et al.*, 2016). Attempts to moderate these fluctuations have included the creation of ‘shoulder’ seasons and ‘all weather’ destinations (Higham & Hinch, 2002; Jang, 2004; Park *et al.*, 2016). Furthermore, incentives to discourage peak season travel include discounted low season air fares and hotel rates, and non-weather related festivals and exhibitions (Lim & McAleer, 2001). In addition, governments can propose targeted off-peak marketing campaigns and incentives to stimulate winter trade to negate climatic factors, whereas private businesses have price reductions and bundled offerings at their disposal to counteract economic factors (Nadal *et al.*, 2004). Limited efforts are devoted to formulating practical solutions to the ramifications of seasonality (Jang, 2004) and the management response of tourism enterprises is less understood (Connell *et al.*, 2015).

Fernández-Morales *et al.* (2016) call for additional research into identifying markets that are more resilient to seasonality and acknowledge that there are certain types of tourists that are not as susceptible to the restrictions of travelling out of season. Such actions have merit as Alén *et al.* (2012) contend that attracting tourists outside of the peak season enhances revenue generation, enables a measured, less congested infrastructural usage pattern and ultimately creates employment, which bolsters destination viability. Similarly, with almost one in every four trips by EU residents being made during the months of July and August, and with short breaks less aligned to seasonal fluctuations than longer stays (Eurostat, 2015b), there is scope to partition the trading year more judiciously. One medium for infiltrating the economic wasteland of out-of-season trading is to look towards segments that are more amenable to travelling outside of the congested high season. The senior tourism market is one such demographic which is currently growing at a level that commands attention and merits inclusion (Le Serre, 2008; Ward, 2014). This cohort can transcend the chronological restraints of the tourism calendar and are willing participants of the cultural heritage offering.

1.5 The emergence of the senior tourism market

Projected demographic trends declare that *'Europe is turning increasingly grey'* (European Commission, 2015a: p. 1) and extant literature indicates that there will be an upward trajectory in the growth of an ageing population by the end of the current (2000-2100) century (Horneman *et al.*, 2002; Paarup Nielsen, 2006; Le Serre, 2008; Ward, 2014; Borges Tiago *et al.*, 2016). Average life expectancy in Europe is continuing to rise and it is estimated that it will increase from the current level of 77.9 years, to 89.3 years by 2100 (United Nations, 2017b). Consequently, the older tourist will be a sizeable demographic force within the marketplace (González *et al.*, 2009; Kim *et al.*, 2015; Losada *et al.*, 2016) and many of those living in both developing and industrialised countries are becoming wealthier (Van Auken *et al.*, 2006; Losada *et al.*, 2016). As such, there will be a noticeable transition towards this older population structure as falling birth rates and longer life expectancy take effect (Moschis, 2003; Patterson & Pegg, 2009).

Rising lifestyle changes have resulted in current seniors being more travel conscious than previous generations and tourism is emerging as one of the largest beneficiaries of this demographic trend (Alén *et al.*, 2016). Ambiguity and uncertainty in the literature surround the lower age range for demarcating senior tourists, with base line figures ranging upwards from 45 to 65 years (Littrell *et al.*, 2004; González *et al.*, 2009; Jang & Ham, 2009; Caber & Albayrak, 2014; Chen & Shoemaker, 2014). For the purposes of this research the European Union convention of 55 years (European Commission, 2015b) is adopted as the starting point for classifying a person within the 'senior' category. 2013 European Union figures indicate that 36.5 per cent of the population are over this threshold of 55 years (Eurostat, 2015a), making them a formidable tourism resource as the global population ages.

The term '*senior market*' was first adopted by Shoemaker (1989) and this market differentiates itself from other demographic sectors in terms of their approach to holiday preferences and spending habits. Studies have focused on segmenting this set of senior citizens based upon travel motivations (Shoemaker, 1989; 2000; Sedgley *et al.*, 2011; Ward, 2014) but the over-riding conclusion is that such a group is not homogeneous and should be treated as a multi-variant segment (Moschis, 2003; Patterson & Pegg, 2009; Alén *et al.*, 2014). This demographic segment represents an opportunistic and heretofore untapped opportunity for the tourism micro-firm sector. Despite the increasing significance of the older traveller market, it is a relatively recent occurrence within the marketing literature (Moschis, 2003; Nicholls & Mohsen, 2015) and was largely overlooked by marketers until the mid-1980s (Moschis *et al.*, 1997). Borges Tiago *et al.* (2016) assert that there has been scant European research into studying this lucrative senior market, while Ward (2014) recommends the provision of practical solutions to enable tourism operators to successfully target this important sector. Thus, the opportunity of harvesting the revenue potential of this particular niche demographic is one that is presented to the many tourism micro-firms within the context of this study.

The study of senior tourism is not a geographically isolated phenomenon, with extant literature addressing the topic across many topographical regions. Studies have incorporated senior tourism in many different countries such as Spain, (Alén *et al.*, 2012; Losada *et al.*, 2016); Britain, (Callan & Bowman, 2000; Morgan *et al.*, 2015); Europe, (Caber & Albayrak, 2014; Borges Tiago *et al.*, 2016); South Korea, (Kim *et*

al., 2015); Ireland, (Ward, 2014), Australia, (Horneman *et al.*, 2002) and the USA, (Shoemaker, 1989; 2000). There is an element of academic debate surrounding the legitimacy of compartmentalising seniors into a niche market. Alén *et al.* (2012) argue that the cohort is not a unique and distinguishable sub-set, but rather an expansion of existing segments. In contrast, Borges Tiago *et al.* (2016) and Callan & Bowman (2000) categorise senior tourism as a separate niche market, although the latter do not explicitly use the term. This sentiment of differentiating older tourists as a distinctive and divergent component is further echoed by the Organisation for Economic Cooperation and Development (2014: p. 38), who acknowledge the '*growth in niche areas such as...seniors travel.*'

Butler (1998) suggests that tourism operators affected by off-peak seasonality should endeavour to diversify their offerings into different forms of tourism, through the creation of either new products or experiences. Such willingness to be proactive and embrace a changing marketplace is inherent within the concept of adaptive capabilities. Adaptive capability manifests itself as an alert responsiveness to nascent marketplace signals and is defined by Ma *et al.* (2009: p. 1087) as '*a firm's capacity to sense and respond to environmental changes in a relatively quick and flexible way.*' As such, managers need to be cognisant of the principles of strategic management and combine this knowledge with an understanding of the unique characteristics of service and tourism, in order to outperform competitors (Evans, 2016). A component of higher level dynamic capabilities (Wang & Ahmed, 2007), strategic adaptive capability endeavours to surface the dynamism inherent within these capability sets to sense, react and reconfigure the micro-firm resource base in response to the emerging senior tourism concept. It enables a firm to assimilate the economic influences within the external environment, in turn leading to the identification and intensification of embryonic business opportunities (Biedenbach & Müller, 2012).

1.5.1 The benefits of senior tourism engagement

Attracting such a market segment has many benefits: mature travellers are often '*empty nesters*' with reduced debt levels and higher amounts of discretionary income (Ryan, 1995; Callan & Bowman, 2000; Littrell *et al.*, 2004). They have freedom to determine their travel schedules, gravitating towards the quieter, less expensive off-peak periods (Callan & Bowman, 2000; Huang & Tsai, 2003; Hunter-Jones & Blackburn, 2007). Such seniors will result in a demand for different types of attractions, favouring

museums and cultural heritage offerings (Mehta, 2007). A developing trend in the vacation market is for more frequent trips of shorter duration; the senior segment deviates from this, possessing a greater propensity for longer trips which are more profitable to accommodation providers than shorter stays (Huang & Tsai, 2003; Alén *et al.*, 2014). Senior tourists also have a high propensity to engage in off-peak travel, evidenced by the fact that in 2013 more than 40 per cent of tourism nights during the months of May, June, September, October and November were populated by Europeans over 55 years (Eurostat, 2015b). Such tourists are becoming more discerning and gravitate towards '*seeking authenticity*' at their chosen location rather than '*seeking passive experiences*' (Cooper *et al.*, 1998: p. 101).

Senior tourists are attracted to Ireland in search of authentic native experiences (Gilmore *et al.*, 2007; Su & Lin, 2014; Murray *et al.*, 2016) through the cultural heritage environment (Mehta, 2007; Healy *et al.*, 2016). The senior cohort has a higher propensity towards cultural tourism than their younger counterparts (Figini & Vici, 2012) and tourism micro-firms can create a unique competitive product offering by adapting their resource base to cater for these needs (Thomas & Thomas, 2006; Fáilte Ireland, 2016e). The creation of such experiences by deviating from conventional passive engagement, can enable tourism operators to moderate the influences of off-peak seasonality (Butler, 1998). Mei (2014) argues that there is a lack of research into the role of the experience economy within the tourism sector, whereby the provision of experience above merely offering goods and services, bestows upon the firm a state of competitive advantage.

1.5.2 Highlighting Ireland's generic senior tourism offering

Despite the imperative to alleviate the constraints of seasonality and the desire to maximise Ireland's culture and heritage potential, little countenance is given to specifically targeting the senior tourist within governmental policy documents. Notwithstanding empirical evidence from academic sources (Le Serre, 2008; González *et al.*, 2009; Sudbury & Simcock, 2009; Ward, 2014) and administrative sectors (Eurostat, 2015a; United Nations World Tourism Organisation, 2015; United Nations, 2015), Ireland's overseas visitors marketing campaign fails to explicitly engage with senior tourists. Ireland's promotional drive is instead tailored towards the '*culturally curious*' demographic segment, which targets a 45 years and upwards age range (Fáilte Ireland, 2016b). Though implicitly acknowledging the role of the older tourist in

Ireland's expanding visitor numbers, there is a scarcity of intent to explicitly focus upon this niche segment. This is perhaps understandable given that Chen & Shoemaker (2014) caution against overtly labelling this age group as elderly, acknowledging that there exists a subjective chasm between an individual's age in terms of cognitive perception (how old someone feels) and actual chronological age (how old someone is).

Horneman *et al.* (2002) argue that by definition seniors are advanced in years and therefore the erroneous perception may exist that they are less able bodied than other demographic groups. Indeed, not all seniors may be sufficiently well resourced in terms of health, finances and motivation to engage in foreign travel (Ryan, 1995; Sedgley *et al.*, 2011; Morgan *et al.*, 2015). However, Horneman *et al.* (2002) regard the tendency to assume false age related stereotypes of conservatism and homogeneity as being invalid. Chen & Shoemaker (2014) further develop this concept through empirical research and acknowledge that traditional senior offerings may no longer appeal to 'younger seniors' aged 55-60 years, who desire a more personalised, less sedentary experience. Irrespective of how senior tourists are perceived within the marketplace, their presence throughout different periods of the year varies in response to institutional, social and climatic factors and such seasonal demand variations can present both a challenge and also an opportunity for micro-firm OMs. This study positions itself to explore the concept of off-peak senior tourism within cultural heritage micro-firms through the guidance of the research question.

1.6 Research question and objectives

The research question under consideration is:

How can the adaptive capability of micro-firm owner/ managers maximise the niche potential of off-peak senior tourism within the Irish culture and heritage sector?

The research question will be guided by the following research objectives:

1. To explore and contextualise the presence of adaptive capabilities within culture and heritage micro-firms.
2. To understand whether the existence of adaptive capabilities enables tourism micro-firm owner/ managers to extend trading within the off-peak season.
3. To propose an adaptive capability framework within tourism micro-firms geared towards the senior tourism market.

1.6.1 Assumptions

This research makes several assumptions, the basis for which will be subsequently addressed to provide justification for the reasoning associated with pertinent decisions within this study. The research assumes that the OMs are not only cognisant of their operational role within the development of the micro-firm but also of their managerial input into the future viability and longevity of the business. The OM is the dominant force within micro-firms (Kelliher & Reinl, 2009; Samujh, 2011) and their dual role is synonymous with the multiplicity of tasks entrusted to their care (Gray, 2002; Thomas *et al.*, 2011; Campin *et al.*, 2013). However, Chell & Baines (2000) assert that the operational demands of the business impede the development of strategic endeavours. As such, OMs who by their nature are both owners and workers (Greenbank, 2000; Samujh, 2011) are assumed to be able to extricate themselves from the operational demands of the business for sufficient periods to foster a creative awareness and a future orientated strategic direction for the business.

Similarly, OMs are assumed to exert a level of influence upon their own destiny and ultimate direction of the business, which is within their own volition and not predetermined by a fatalistic set of external actors. A deterministic approach would position the OM as being wholly subservient to the environment (Burrell & Morgan, 1979; Morgan & Smircich, 1980), whereas in reality they enjoy autonomous decision making and a freedom of choice. This allows them a degree of input into attenuating the adverse impact of seasonal demand variations and contrasts with the assertion of Ateljevic (2007) who contends that seasonality may be regarded by some OMs as being impervious to the efforts to alleviate the phenomenon. Many micro-firms by their nature are not growth focused (Gray, 2002; Reijonen & Komppula, 2007) and shun formalised strategic planning (Greenbank, 2000; Murphy *et al.*, 2018). The assertion within this research is that there is a degree of entrepreneurial intent present and that the OM will, at a prescribed stage within the lifecycle of the firm, be amenable to adapting their resources to maintain a competitive stance amongst rival businesses. Moving beyond the cyclical efficiency of operational capabilities would enable the OM to engage with higher level adaptive capabilities as a means of resource rejuvenation and product/ service enhancement.

1.7 Rationale for selecting the south east of Ireland

The decision to base the study within the south east (SE) of Ireland has been determined by several key factors. These influences include the wealth of cultural heritage offerings within the geographic area, the economic deflation of the region, the capacity to capitalise upon additional visitor footfall and targeted policies to stimulate tourism development. The region is rich in cultural heritage with many unique attractions such as medieval castles and monastic ruins, the House of Waterford Crystal, the Déise Greenway, Wexford opera festival, the Viking Triangle and the Hook Lighthouse. These attractions, along with the broader culture and heritage provenance of the region are promoted nationally through its inclusion in Ireland's Ancient East⁵ programme (Fáilte Ireland, 2017c). These cultural heritage elements provide a robust framework upon which to build a unique tourism product tailored specifically towards senior tourists. Tourism is therefore seen as a driver of local economies (Department of Transport Tourism and Sport, 2015) and is important to coastal regions which suffer from short tourism seasons and a lack of suitable employment outside of a declining fisheries sector (Bord Iascaigh Mhara, 2016). Additionally the Department of Transport Tourism and Sport (2016a: p. 137) has highlighted the importance of Ireland's culture and heritage environment by incorporating into fiscal policy the *'need to increase access to, and participation in, the arts, boost our creative industries and preserve our heritage.'*

The SE region is under represented within the list of top national tourism attractions (Fáilte Ireland, 2015b), with the area facilitating the passage of tourists and acting as a transit zone to other destinations (Fáilte Ireland, 2016d). The south east accounts for 25 per cent of visitor numbers but only 11 per cent of tourist expenditure (Fáilte Ireland, 2016e). Enabling local micro-firms to broaden their customer base through the inclusion of a focused senior tourism offering would facilitate increased footfall within the region. Furthermore, an analysis of the share of international spend by region for the period 2014-2016 illustrates that the SE commanded a modest 6 per cent, an accolade it shared with the Border Regions (between the Republic of Ireland and Northern Ireland) and this figure has remained static over the three years of the reporting period. This places the SE amongst the lowest performing regions nationally

⁵ A broad geographical region, bounded in part by the river Shannon and encompassing 17 counties from Cavan to Cobh, encapsulating 5,000 years of history.

and is in contrast to Dublin which enjoyed a 43 per cent market share in 2016 (Irish Tourism Industry Confederation, 2017). In tandem with this, the SE was bottom of the league with the lowest international visitor spend (273 million euro) and had the highest reliance on the domestic market in 2016 at 44 per cent (Irish Tourism Industry Confederation, 2017).

Limited capacity in Dublin and associated hotspots is placing upward pressure on accommodation pricing structures, which has the effect of acting as a potential impediment to prospective visitors (Fáilte Ireland, 2016f). The south east region is not heavily urbanised and offers a tapestry of small towns and villages, which have the capacity to accommodate such overspill. Current fiscal policy is focusing on the decentralisation of job creation outside of Dublin, by providing funding for the rejuvenation of local communities (Department of Transport Tourism and Sport, 2016a). Rural areas should be seen as specific attractions in their own right, rather than being viewed merely as *'secondary "sight-seeing territory," as tourists move between established attractions'* (Commission for the Economic Development of Rural Areas, 2014: p. 67). Ironically, it is these established attractions and tourism pinch points that have the potential to channel excess visitor footfall into the less frequented rural regions.

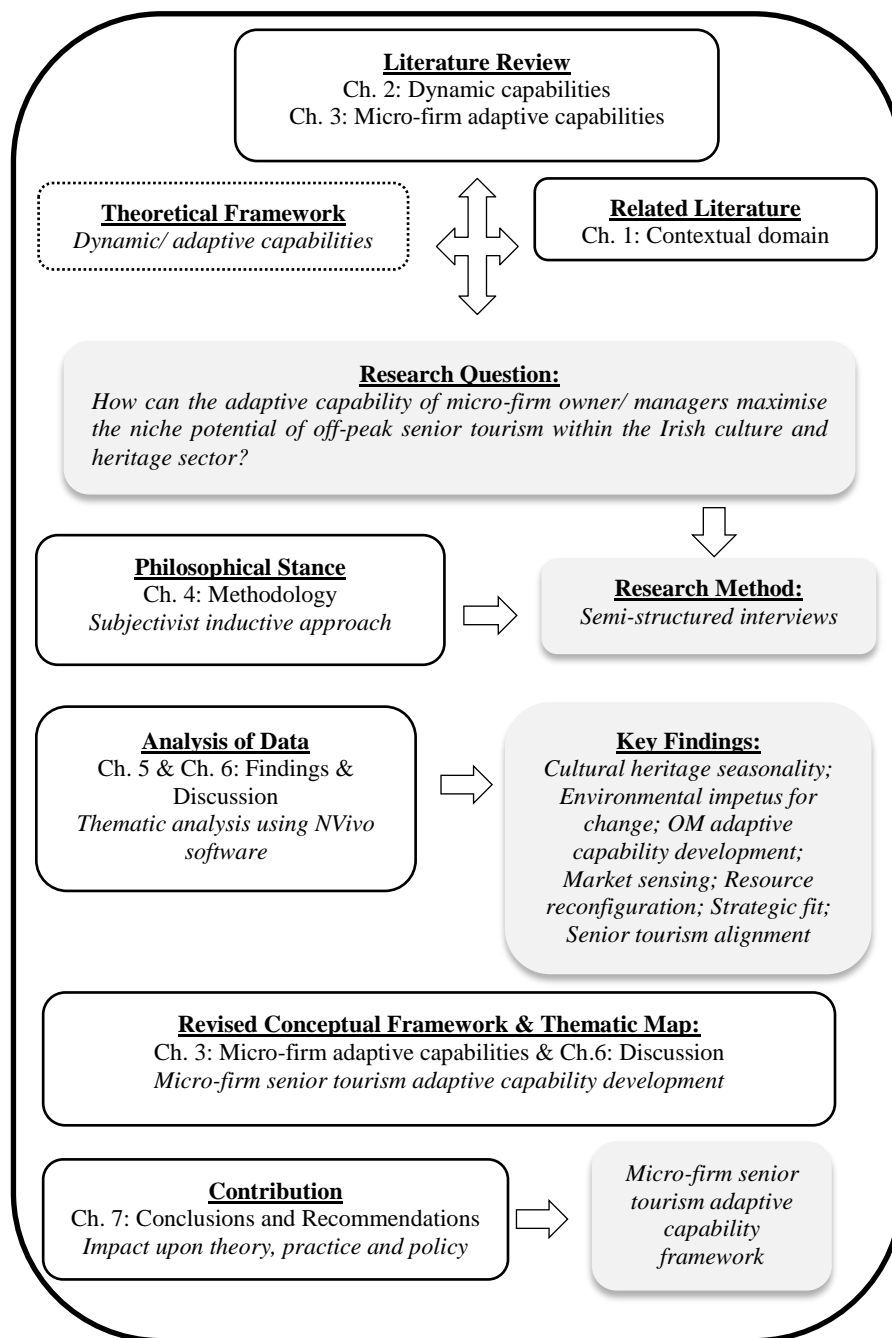
Economic policy specifically intends targeting the south east of Ireland to promote the *'abundance of culture and heritage assets in the area,'* as an attraction for international tourists (Department of Transport Tourism and Sport, 2015: p. 28). Government strategy is to focus upon tourism in the region, by adding an additional 300,000 overseas visitors and creating 5,000 associated tourism jobs by 2025 (Department of Jobs Enterprise and Innovation, 2015). Rejuvenating coastal communities through up skilling and diversification, enabling the transition into synergistic industries and away from a declining fishing industry, is a part of a development strategy 2016-2023 by Fisheries Local Action Groups (Bord Iascaigh Mhara, 2016). Additionally, the Waterford heritage plan 2017-2021 aims to increase public interest, physical access, funding, and conservation and visitor numbers in relation to heritage tourism (Waterford City and County Council, 2016). Lastly, the region is the beneficiary of fiscal stimulus packages and grant aided schemes, administered by government agencies and local authorities, to promote the rejuvenation of the south east and generate ancillary employment across key sectors, including tourism. The Department

of Transport Tourism and Sport (2016b: p. 6) has initiated supports for festivals and events, with a particular focus ‘on offsetting seasonality.’

1.8 Thesis outline

An abridged version of the thesis structure is set out to inform the reader of the forthcoming content of each chapter. An overview of the research trajectory, from the guiding research question to the eventual contributions, is outlined in Figure 1-3.

Figure 1-3: Overview of Research Trajectory



This introductory chapter contextualises the research in terms of the diverse thematic strands and their subsequent projection through a practical and theoretical lens. Key concepts are the importance of the culture and heritage tourism sector, the impact of seasonality and the emergent untapped senior market. The rationale for the study is set out along with an initial introduction to the research question and objectives.

Chapter two develops the concept of capabilities, the resource based view of the micro-firm and the hierarchical nature of dynamic capabilities. Lower level and higher level capabilities are discussed in terms of firm performance and the merits and idiosyncrasies of dynamic capabilities are explored.

Chapter three continues the theme of adaptive capabilities and projects them through the decision making lens of micro-firm OMs. Adaptive capabilities are proffered as a means of facilitating new resource reconfiguration in response to environmental signals. The unique nature of the micro-firm and the challenges and opportunities associated with such an entity are deliberated, before concluding with a discussion of the conceptual framework which has arisen from the literature.

Chapter four guides the reader through the research framework and outlines the researcher's position amongst key philosophical assumptions. The chapter introduces the notion of a qualitative methodological approach and outlines semi-structured interviews as the research data collection method. Sampling methods, data management and analysis and the concept of data elegance conclude this section.

Chapter five presents the findings from the empirical data and key themes which have surfaced from the analysis of the interviews through the use of NVivo are presented. Pertinent quotes augment the findings narrative and a summary of the main empirical research outcomes are presented throughout the chapter.

The findings are discussed in chapter six and interwoven with relevant theoretical concepts developed through a review of the literature. This facilitates an appraisal of micro-firm adaptive capability engagement and senior tourism alignment. Having synthesised pertinent literature, this stage intertwines an academic and practical structure to the diverse but inter-related concepts of tourism micro-firms, the challenges of seasonality, the allure of a cultural heritage backdrop, adaptive capabilities and the under-utilised potential of the senior tourism sector. These entities all function as stand-

alone individual conceptions, but the task is to harmonise and integrate the aforementioned elements into a cohesive framework.

Lastly, chapter seven summarises pertinent findings and offers relevant observations on the impact of the research study. The section concludes with key assumptions formed by the researcher, along with recommendations, the research contribution to both theory and practice and limitations of the study.

1.9 Research contribution

This research contributes to the wider community and body of knowledge at academic, policy and practitioner levels, and a dedicated elaboration of such is presented in chapter seven. Academically, the research augments the micro-tourism dynamic capabilities debate by offering a pertinent framework that is of relevance to researchers and practitioners in the senior tourism and micro-firm management realms. It displaces the ephemerality of dynamic capabilities which many researchers have described as a *'black box'* (Pavlou & El Sawy, 2011: p. 239); Ambrosini *et al.* (2009: p. S22); Sirmon *et al.* (2007: p. 273); (Wang & Ahmed, 2007: p. 43), with a tangible framework that facilitates the identification and development of higher level capabilities. This framework advances the understanding of adaptive capabilities within both the under-studied senior tourism sector and also within Irish tourism micro-firms. In doing so, it acknowledges calls that the senior tourism sector is an under-studied phenomenon (Caber & Albayrak, 2014; Alén *et al.*, 2014; Kim *et al.*, 2015) and that small firms within the industry remain under-researched (Thomas *et al.*, 2011; Kearney *et al.*, 2014; Kelliher *et al.*, 2018b).

At policy level, this research surfaces a greater awareness of the level of transparency of seniors within the cultural heritage tourism industry and the potency of this cohort to alleviate off-peak seasonal demand fluctuations. Decisions may be guided towards charting the propensity of national tourism policy to distinguish between visitors in the upper echelons of the age range; at present such precise segmentation is not widely enacted. Additionally, this research project is cognisant of the wider institutional incentives and policy decisions which seek to address the importance of senior tourism to both revenue and job creation. State agencies highlight the continued increase of the older traveller market, as a result of rising senior population figures (Eurostat, 2015a; United Nations, 2015; United Nations World Tourism Organisation, 2015). Thus,

policy makers should endeavour to foster a non-generic senior tourism offering and facilitate an enhanced skill-set within micro-firms to capitalise upon this growing market.

From a practitioner perspective, this study demonstrates that the advancing demographic wave of an ageing population presents both opportunities and challenges for the micro-tourism sector. Senior tourism is a growing phenomenon and those firms that view the sector as a homogeneous appendage to the wider family market are shunning a core component of their future customer base. Embracing the niche senior tourism market, would offer participative firms an early advantage over competitors servicing a generic homogeneous market. The output of this research progresses a framework of improvement whereby micro-firms can transcend best practice by integrating higher-level capabilities into their processes in a sustainable way to enhance the senior tourism offering. The framework offers insights into the significance of developing robust operational capabilities and their importance not only as an antecedent to adaptive capability engagement, but also as interim change actors. It also highlights the potency of OMs maximising their market sensing abilities in order to be best placed to capitalise upon nascent trends.

1.10 Conclusion

This chapter has introduced the academic contexts which preface the ensuing literature chapters. The pervasiveness of the cultural heritage realm within the micro-firm tourism landscape was shown to be a potent force in chaperoning tourism footfall throughout the island. Encapsulating this is the phenomenon of seasonal demand imbalance and how, although cyclical and predictable, is nonetheless a challenging entity for micro-firm OMs to overcome. Tourism micro-firm OMs function within a cultural heritage sector that exhibits strong annual growth but their geographical location and their position within the calendar period can be both a help and a hindrance to operating a viable business.

Tapping into the senior tourism market is seen as potential means of extending the trading season beyond conventional norms. For micro-firm OMs to successfully accomplish this task, they must be cognisant of the external marketplace and adapt to emerging trends by transforming their existing resource base. How this is achieved is the subject of the following two literature chapters that outline the rationale and development of hierarchical capabilities and how micro-firm OMs utilise adaptive capabilities to align their offering with the off-peak senior tourism market.

Chapter 2: Dynamic Capabilities

2.0 Chapter introduction

This chapter presents the concept of a firm as an entity that reconfigures (Teece *et al.*, 1997), rather than merely hoards resources (Barney, 1991), and it is their subsequent transformation rather than their acquisition, that is of importance (Eisenhardt & Martin, 2000). The resource based view (RBV) will be presented as an antecedent to dynamic capabilities and the latter will be shown to be a more credible catalyst of managerial response within a fluctuating business environment. Firm level capabilities exist within a multi-level structure, with each level being more effective and potent than those beneath it. Extant literature theorises that dynamic capabilities are instrumental in facilitating firms to adapt to market demands (Collis, 1994; Teece *et al.*, 1997; Eisenhardt & Martin, 2000; Winter, 2003; Di Stefano *et al.*, 2014). Such phenomena are characteristically portrayed as higher level capabilities that sense environmental turmoil and consequently impact upon lower level operational capabilities. Helfat & Winter (2011: p. 1243) assert that such lower level capabilities are ‘ordinary’ in that they are purely functional and assist the firm to *‘make a living in the present.’* Adaptive capabilities, a component of dynamic capabilities, will subsequently be introduced and these higher level routines and processes enable firms to transpose their operations from generic functionality to a desired state of market alignment.

2.1 Micro-firm capabilities and resources

The role of competencies⁶, capabilities and resources provides a framework for strategy creation and the formation of a competitive stance arises from the relationship between these concepts. A firm's capabilities and resources are the antecedents to competitive positioning and it is their heterogeneity and imperfect immobility that perpetuates the cycle of uniqueness and non-homogeneity amongst firms (Penrose, 1959; Wernerfelt, 1984; Barney, 1991). Each grouping has a distinctive function within the strategic architecture of the firm and their overall utility is ultimately governed by the ensuing actions of key decision makers.

2.1.1 Capabilities within micro-firms

Winter (2003: p. 991) defines an organisational capability as '*a high level routine*' that bestows upon a firm's strategic management team '*a set of decision options for producing significant outputs of a particular type.*' Similarly, capabilities refer to a firm's capacity to deploy resources to accommodate a desired outcome using organisational processes (Amit & Schoemaker, 1993). Oliver (2016: p. 6) depicts capabilities as '*the minimum threshold of resources that are required to satisfy market requirements.*' Thus, capabilities describe a firm's ability to utilise resources either tangible or intangible (leadership, organisational know-how) (Wang & Ahmed, 2007), and are '*critical sources of sustainable competitive advantage*' (Krasnikov & Jayachandran, 2008: p. 1). Adopting a more holistic view, Teece (2007: p. 1319) regards a capability as a cluster of '*skills, processes, procedures, organisational structures, decision rules and disciplines.*' An organisational capability is viewed by Helfat & Peteraf (2003) as the ability to perform a set of coordinated tasks using organisational resources for the purpose of delivering a specific outcome. It is the possession of distinct capabilities that enable a firm to harness their resources to best effect (Penrose, 1959). In order to compete within dynamic markets, it is necessary for an organisation to reconfigure its capabilities (Schreyögg & Kliesch-Eberl, 2007). For the purposes of this research, capabilities are defined as '*a firm's capacity to deploy*

⁶Competency (plural competencies) is regarded as '*a generic body of knowledge, motives, traits, self-images, social roles and skills*' relating to superior job performance (McClelland & Boyatzis, 1980: p. 369). An often substituted term competence (plural competences) is the ability of an individual to carry out a specified task (Nagarajan & Prabhu, 2015). McConnell (2001) differentiates between both terms by stating that a competence is the capacity to perform job responsibilities whereas a competency encompasses the actual performance within a given situation.

resources, usually in combination, using organisational processes, to effect a desired end' (Amit & Schoemaker, 1993: p. 35).

Krasnikov & Jayachandran (2008) posit that the efficacy of such capabilities upon performance has a positive correlation on both the effort that rivals expend in replicating them (imperfect imitability), and the degree of ease with which they can be sourced from the business environment (imperfect mobility). It is the capacity to utilise the potential of such capabilities that forms the basis of the theoretical platform upon which this research is conducted, morphing from the resource based view towards the dynamic capabilities perspective. A capability is firm specific and is embedded in the organisation and its processes, whereas an ordinary resource is not (Makadok, 2001). As such the ownership of a capability cannot easily be exchanged between organisations without also transferring possession of the organisation; thus if an organisation were completely dissolved, its capabilities would disappear but its resources would migrate to the next owner. Teece *et al.* (1997: p. 518) reiterate this point by asserting that capabilities *'typically must be built as they cannot be bought.'* Capabilities are ingrained within organisational practices and processes, deploying tacit knowledge and organisational learning, thus making them difficult to replicate (Day, 2011). Possession of scarce inimitable knowledge resources, without the catalyst of dynamic capabilities, is insufficient to transpose a firm within the realm of competitive advantage (Teece, 2007). Such capabilities *'continuously create, extend, upgrade, protect and keep relevant the enterprise's unique asset base'* and these internal attributes are a more potent advocacy of success than external environmental effects (Teece, 2007: p. 1319).

Schreyögg & Kliesch-Eberl (2007) posit that a capability does not represent a single resource but is a distinctive and superior way of allocating resources, addressing complex organisational processes such as customer relationship management, product development or supply chain management. The notion of capabilities possessing lifecycles akin to those of product lifecycles is proffered by Helfat & Peteraf (2003), who contend that capabilities may follow a similar sequence of growth, maturity and decline. Helfat & Peteraf (2003: p. 999) contend that *'in order for something to qualify as a capability, it must work in a reliable manner.'* Thus, they imply that the process of an initial attempt at an activity does not constitute a capability and that it must first have reached some level of practiced or routine actions. Schreyögg & Kliesch-Eberl

(2007) probe the problematic side of capabilities, whereby they can invert from a strategic asset to a strategic burden by becoming a barrier to adaptation and an impediment to change and flexibility. A salient means of overcoming this capability paradox is to foster the development of dynamic capabilities (Eisenhardt, 1989b; Zollo & Winter, 2002; Teece, 2007).

2.1.2 Resources as key assets

Barney (1991) endeavours to differentiate between the various types of resource classification; at a human level, capital resources encompass expertise and tacit knowledge, training regimes, communication and business intelligence. When viewed through an organisational lens, such resources may comprise of business to business communication, hierarchical reporting structures and approved and informal planning networks. The third category relates to physical capital resources and includes for example, the business premises, plant and equipment, geographical location and access to pertinent raw materials. Other manifestations of firm resources comprise internal research and development, trademarks and brand names, commercial contracts and reputational worth (Wernerfelt, 1984). In essence, a resource may be anything that falls within the operational mantle of the firm (Priem & Butler, 2001) and as such, Wernerfelt (1984) asserts that products and resources are synonymous since both involve the interplay of services and assets for their existence.

Amit & Schoemaker (1993: p. 35) posit that resources are '*stocks of available factors that are owned or controlled by the firm...and are converted into final products and services*' and can consist of intellectual expertise, financial or physical assets and human capital. Helfat & Peteraf (2003) portray resources as being either tangible or intangible assets or production inputs that an organisation has access to, owns or controls on a semi-permanent basis. Inimitable resources are less likely to be immediately duplicated by challengers and therefore bestow a state of competitiveness upon that firm (Barney, 1991; Teece *et al.*, 1997). Eisenhardt & Martin (2000) assert that whereas resources are indeed important, prominence must also be attributed to the organisational and strategic processes within firms, since these enable the reconfiguration of resources into value formation strategies. Sirmon *et al.* (2007) describe the process of resource management, Table 2-1, as structuring the firm's resource portfolio, bundling resources to build capabilities and leveraging these capabilities to perpetuate value for customers and owners.

Table 2-1: The Process of Resource Management

<p>Structuring – managing the firm’s resource portfolio</p>	<p>Acquiring: purchasing resources from strategic factor markets Accumulating: developing resources internally Divesting: shedding firm-controlled resources</p>
<p>Bundling – combining firm resources to construct or alter capabilities</p>	<p>Stabilising: making minor incremental improvements to existing capabilities Enriching: the process of extending current capabilities Pioneering: creating new capabilities to address the firm’s competitive context</p>
<p>Leveraging – the application of a firm’s capabilities to create value for customers and wealth for owners</p>	<p>Mobilising: identifying capabilities to support the necessary configurations to exploit market opportunities Coordinating: integrating specific capabilities into effective and efficient configurations Deploying: utilising resource configurations to leverage resource advantage, market opportunity or entrepreneurial strategies</p>

Source: Sirmon *et al.* (2007: p. 277)

Every component in the process is important but each must be synchronised to ensure harmonious value creation for customers. Sirmon *et al.* (2007) assert that managers need to be able to acquire, accumulate and divest resources when necessary, to ensure that they have the most effective resource portfolio at any given time. Additionally, they should possess the necessary skills to bundle resources in order to create capabilities. Thus, by viewing the firm as a system of resources, management can develop leveraging strategies that match their capabilities to environmental demands.

2.2 Introducing the resource based view (RBV)

Zott (2003: p. 97) poses the question which exercises the minds of many within the strategic management field (Teece & Pisano, 1994; Teece *et al.*, 1997; Ambrosini *et al.*, 2009; Denicolai *et al.*, 2010; Day, 2014), ‘*why do firms in the same industry perform differently?*’ Teece *et al.* (1997: p. 509) initially probed this enigma by enquiring ‘*how firms achieve and sustain competitive advantage?*’ In endeavouring to provide a solution, the resource based view (RBV) asserts that the overarching factor is that same sector firms differ in terms of the capabilities and resources that they control (Penrose, 1959; Wernerfelt, 1984; Amit & Schoemaker, 1993; Peteraf, 1993; Barney *et al.*, 2001). In its broadest sense, the seminal work of Porter (1980) states that industry structure was the dominant influence on competitive advantage, and that it was perpetuated by how these competitive forces functioned. Porter (1985: p. 3) asserts that competitive advantage arises from the ‘*value a firm is able to create for its buyers that exceeds the firm’s cost of creating it.*’

However, certain theorists contend that firm performance is contingent upon something more than industry structure. For example, Penrose (1959), building upon extant literature (Robinson, 1933; Chamberlin, 1962), cited by Breznik & Lahovnik (2016), observe that firms are not merely administrative units, but rather repositories for learning and knowledge creation. These inherent capabilities are fundamental to the future growth of the firm. In this Penrosian environment, the experience and knowledge-resources amassed over time are the primary influencers on the firm's production processes and the stimulation of unused dormant services can facilitate future growth (Augier & Teece, 2009). Firms add value by generating economic rent, which is greater than the firm's opportunity cost and is a central component of the theory of competitive advantage (Penrose, 1959; Wernerfelt, 1984; Porter, 1985). Demsetz (1973) subsequently attributed continual competitive advantage to serendipity or the fact that a firm was able to better satisfy customer needs than its rivals. Although it was Penrose (1959) that initially put forward the concept of the firm from a resource perspective, the actual term '*resource based view of the firm*' was first introduced by Wernerfelt (1984: p. 184) and a resource was literally taken as '*anything that could be thought of as a strength or weakness.*' Such resources may manifest themselves as organisational, physical or social assets and are employed to generate value creating strategies (Wernerfelt, 1984).

2.2.1 RBV characteristics

Early research such as Barney (1986) and Dierickx & Cool (1989) fostered a greater understanding of the RBV, but ultimately it was the work of Barney (1991) that formalised the concept and framework for the RBV (Eisenhardt & Martin, 2000; Priem & Butler, 2001; Wang & Ahmed, 2007). In doing so, Barney (1991) subsequently theorised that a firm could outperform its competitors if its resource base was valuable, rare, imperfectly inimitable and not readily substitutable. The heterogeneity amongst firms and their ability to outperform competitors through astute deployment of resources forms the basis of the resource based view (Penrose, 1959; Demsetz, 1973; Wernerfelt, 1984; Barney, 1991), which is a precursor to the concept of dynamic capabilities (Teece *et al.*, 1997; Makadok, 2001; Zollo & Winter, 2002; Helfat & Peteraf, 2003; Sirmon *et al.*, 2007). The resource based view contends that a firm is a reservoir for knowledge creation, skills and resources, and that the subsequent ability to modify, update and expand its unique skills, along with pertinent business metrics,

differentiates that firm from sectoral competitors (Sirmon *et al.*, 2007; Camisón & Monfort-Mir, 2012). Teece & Pisano (1994) questioned the efficacy of the RBV and the concept of maintaining competitive advantage within an uncertain and turbulent marketplace. The pivotal work of Teece *et al.* (1997) led to the beginning of a period of exploration on how to better understand competitiveness within a vigorous trading environment. The RBV therefore, offers academics and practitioners a '*powerful conceptual framework of how a firm's assets relate to performance*' (Moliterno & Wiersema, 2007: p. 1084).

The RBV postulates the theory that for a firm to attain competitiveness it must possess internal resources that are unique, difficult to replicate and be of value (Penrose, 1959; Barney, 1991; Amit & Schoemaker, 1993; Eisenhardt & Martin, 2000). Such resources are deemed to be imperfectly mobile and non-homogeneous (Barney, 1991), perpetuating a state of competitive improvement. When a firm creates a greater utility for customers than competitors do, then such actions bestow upon it a competitive advantage (Sirmon *et al.*, 2007). Helfat & Peteraf (2003: p. 997) theorise that '*it is difficult to fully explain how firms use resources and capabilities to create a competitive advantage.*' Generating and maintaining competitiveness using valuable, rare, inimitable and non-substitutable resources is an enigmatic construct for Priem & Butler (2001), who term the process a 'black box.' Sirmon *et al.* (2007) endeavoured to demystify the competitive advantage process by theorising that managers require a relevant resource portfolio, have the necessary skills to create capabilities by bundling resources and be in a position to implement the appropriate leveraging strategies.

2.2.2 Incompatibility of an RBV stance

Recent literature has formed the view that the RBV is too rigid and unsympathetic to the vigorous nature of a fluctuating trading market (Eisenhardt & Martin, 2000; Priem & Butler, 2001; Wang & Ahmed, 2007; Sirmon *et al.*, 2007; Moliterno & Wiersema, 2007). It is this static nature of the RBV which is highlighted by Døving & Gooderham (2008), who argue that it is primarily concerned with the utilisation and preservation of resources, rather than being cognisant of the requirement for such resources to coalesce and transform over time. Priem & Butler (2001) acknowledge the significant contribution of the RBV to the field of strategic management but critique the lack of a definitive theoretical framework demonstrating how resources are created and interact to generate a sustainable competitive stance. On a similar note, Sirmon *et al.* (2007)

and Wang & Ahmed (2007) posit that the RBV does not explain the link between the effects of a firm's external environment on the management of resources and the subsequent creation of value and competitiveness. Neither does the RBV explain why firms would deliberately divest themselves of certain resources that still have productive capacity remaining (Moliterno & Wiersema, 2007). A further perceived weakness of the RBV is that it fails to afford explanations for the ability of individual firms to triumph over uncertainty and execute measured decisions within market turbulence (Eisenhardt & Martin, 2000). Firms that share resources in an attempt to enhance performance are not adequately catered for within the insular structure of the RBV (Barney, 1991; Amit & Schoemaker, 1993; Lavie, 2006). Another condemnation levelled at the RBV is that the fundamental assertions are not specific enough and are somewhat ambiguous (Priem & Butler, 2001; Lippman & Rumelt, 2003; Costa *et al.*, 2013). Therefore, given the rigidity of the RBV and the dynamism of the market, this research embraces dynamic capabilities theory, and specifically adaptive capabilities, in order to identify the capabilities most appropriate to micro-firms within the senior tourism context. This view relates to how firms can generate a succession of temporary advantages by adapting to the challenges of a changing environment (Barreto, 2010; D'Aveni *et al.*, 2010; Nieves & Haller, 2014; Evans, 2016).

2.2.3 Transitioning from RBV to dynamic capabilities

Dynamic capabilities differentiate themselves from the resourced based view by being vigorous rather than static and equilibrium based. A dynamic capability is not a resource and neither is it a capability in the RBV sense; rather it is a process that impacts upon resources (Ambrosini & Bowman, 2009). Teece (2014: p. 341) argues that '*the resource-based view of the firm needs dynamic capabilities to explain how assets get deployed.*' The core concept of the dynamic capabilities approach is to attempt to explain a firm's ability to adapt to changing marketplace demands by altering its resource base (Teece *et al.*, 1997; Eisenhardt & Martin, 2000; Zollo & Winter, 2002; Helfat *et al.*, 2007; Nieves & Haller, 2014). It is not solely the structural characteristics of a firm that allude to the variations in competitive positioning, but rather the internal resource base and such intangible resources have a marked influence on explaining the performance variation amongst firms within the service sector (Galbreath & Galvin, 2008).

A central concept of higher level capability development is the notion that key leadership and management roles are vital to success (Zahra *et al.*, 2006; Teece, 2007; Helfat *et al.*, 2007). Easterby-Smith *et al.* (2009) position dynamic capabilities closely with the RBV and acknowledge the sharing of core issues such as firm performance and competencies. RBV theory acknowledges the competitive importance of specific firm level capabilities, however, those embracing the paradigm of dynamic capabilities see them as a synchronicity between the perceptual and the probable, mirroring and enhancing the intricate manoeuvres of the marketplace to generate new opportunities (Makadok, 2001; Moliterno & Wiersema, 2007; Augier & Teece, 2009). The dynamic capabilities view morphs the boundaries of the RBV, not only in terms of the markets, but also in the conceptualisation of organisational capabilities being flexible and dynamic (Helfat & Peteraf, 2003; Sirmon *et al.*, 2007). It is this adaptive ability to filter nascent trends and opportunities from the marketplace (Teece *et al.*, 1997; Wang & Ahmed, 2007) and reconfigure extant resources (Zahra *et al.*, 2006; D'Aveni *et al.*, 2010) to position the firm at a desired future state of operation (Helfat *et al.*, 2007; Augier & Teece, 2009) which is the foundation of this research study.

2.3 Defining dynamic capabilities

Dynamic capabilities are regarded as the mechanism through which firms may adapt to changing environmental conditions (Eisenhardt, 1989b; Collis, 1994; Teece *et al.*, 1997; Winter, 2003; Helfat *et al.*, 2007). Table 2-2 highlights a selection of the definitions and interpretations of dynamic capabilities within the literature. Though there is no universally accepted definition (Schreyögg & Kliesch-Eberl, 2007; Peteraf *et al.*, 2013; Eriksson, 2014), there is unanimity on the impact that dynamic capabilities have on a firm's resource base and on lower level capabilities (Collis, 1994; Winter, 2003; Helfat *et al.*, 2007; Teece, 2007). The dynamic capability concept focuses upon '*how firms can change their valuable resources over time and do so persistently*' (Ambrosini & Bowman, 2009: p. 30) and it is this transformation of the resource base that is a common theme within the literature.

Table 2-2: Dynamic Capability Definitions

Definition	Literature
<i>'The subset of the competences/capabilities that allow the firm to create new products and processes and respond to changing market circumstances'</i>	Teece & Pisano (1994: p. 6)
<i>'The firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments'</i>	Teece <i>et al.</i> (1997: p. 516)
<i>'A learned and stable pattern of collective activity through which the organisation systematically generates and modifies its operating routines in pursuit of improved effectiveness'</i>	Zollo & Winter (2002: p. 340)
<i>'Those that operate to extend, modify or create ordinary capabilities'</i>	Winter (2003: p. 991)
<i>'The abilities to reconfigure a firm's resources and routines in the manner envisioned and deemed appropriate by its principal decision-maker(s)'</i>	Zahra <i>et al.</i> (2006: p. 918)
<i>'The capacity of an organisation to purposefully create, extend and modify its resource base'</i>	Helfat <i>et al.</i> (2007: p. 4)
<i>Providing 'opportunities for knowledge gathering and sharing, continual updating of the operational processes, interaction with the environment and decision-making evaluations'</i>	Easterby-Smith <i>et al.</i> (2009: p.7)
<i>The potential of a firm 'to systematically solve problems, formed by its propensity to sense opportunities and threats, to make timely and market oriented decisions and to change its resource base'</i>	Barreto (2010: p.271)

Adapted from Barreto (2010: p. 260)

For the purposes of this study, dynamic capabilities are regarded as the ability of a firm to reenergise its lower level capabilities in a manner that creates new resource configurations, thereby enabling the firm to alter how it currently makes a living. Equally, the label 'operational capabilities' (Winter, 2003) will be assumed to be synonymous with the lowest base layer of capabilities and incorporate similar terms such as first order/ lower level/ ordinary/ zero-level and substantive capabilities. It is these lower level capabilities and their associated upper echelon equivalents that will be of interest to the research process.

2.3.1 The hierarchical nature of capabilities

There is a broad literary consensus that the concept of dynamic capabilities is premised upon the interaction of higher level capabilities upon lower level subordinates (Collis, 1994; Eisenhardt & Martin, 2000; Zollo & Winter, 2002; Winter, 2003; Zahra *et al.*, 2006; Helfat *et al.*, 2007). Dynamic capabilities impact upon the degree of displacement within ordinary level capabilities (Collis, 1994; Winter, 2003) and such capabilities are ordered hierarchically, becoming more idiosyncratic, ephemeral and complex as they move towards the pinnacle (Zollo & Winter, 2002; Easterby-Smith *et al.*, 2009; Schilke, 2014). While higher level capabilities are encapsulated within the term 'dynamic' (Teece *et al.*, 1997; Augier & Teece, 2009; Teece, 2014), these capabilities and those below them assume various categories within the literature. This

was initially delineated by Collis (1994) who contends that there are four various strata of dynamic capabilities, Table 2-3, each with their own distinguishing features.

Table 2-3: Capabilities Typologies

Collis (1994)	Danneels (2002)	Winter (2003)	Zahra <i>et al.</i> (2006)	Ambrosini <i>et al.</i> (2009)
1 st category capabilities	1 st order capabilities	Zero-level/ operational capabilities. <i>'make a daily living'</i> (p. 991)	Substantive capabilities	Resource base
2 nd and 3 rd category capabilities	2 nd order capabilities	1 st order capabilities	Dynamic capabilities	Incremental dynamic capabilities Renewing dynamic capabilities
4 th category capabilities Meta capabilities. <i>'Learning to learn'</i> characteristics		Higher order capabilities		Regenerative dynamic capabilities (impacting upon other dynamic capabilities)

Adapted from Ambrosini *et al.* (2009: p. 17)

The first tier reflects *'an ability to perform the basic activities of the firm...more efficiently than competitors'* and comprises of activities such as marketing promotions and supply chain logistics. The second category revolves around the *'dynamic improvement to the activities of the firm'* and incorporates market astuteness, flexible manufacturing processes, or innovative practices. The third tier surpasses functional behaviours and embraces the ephemerality of a firm's intrinsic belief that it can configure its collective resources to generate unique strategies ahead of competitors. The fourth layer is *'higher order'* capabilities and involves a continuous cycle of learning, adaptation and improvement (Collis, 1994: p. 145). Ambrosini *et al.* (2009) offers a comparative view of this hierarchical nature of dynamic capabilities and their respective stratification within literature. Schilke (2014) further delineates the efficacy of such capabilities according to an incremental functionality scale, whereby first order dynamic capabilities reconfigure an organisation's resource base, and in turn, second order dynamic capabilities transform first order dynamic capabilities.

These higher order capabilities reinvigorate ordinary level capabilities, bestowing upon firms a superior degree of proficiency (Zollo & Winter, 2002). Second order dynamic capabilities have regenerative and adaptive properties, possessing what Collis (1994: p.

143) terms *'learning to learn'* characteristics. Lower level dynamic capabilities instigate change within the resource base and amongst ordinary level capabilities (Winter, 2003), whereas higher order ones are created from organisational learning and are a by-product of lower order dynamic capabilities. Cepeda & Vera (2007: p. 426) posit that *'if there is always a capability behind a capability'* then in reality it will not be possible to identify what Collis (1994: p. 143) terms *'the ultimate source of competitive advantage.'* Demarcating the nature of multi-layer dynamic capabilities is beyond the focus of this study. Therefore, this research embraces the concept of a two tier system, whereby higher level dynamic capabilities are regarded as a non-hierarchical entity and transform their lower level operational counterparts. Thus, multiple levels within dynamic capabilities are beyond the remit of the research focus.

2.3.1.1 Exploring capability levels

The point of interaction between operational and dynamic capabilities is an unresolved issue within the literature, without a clear line of demarcation between the two. Operational capabilities may also be termed skills, competencies, routines or 'know-how' and are the functional mechanisms through which firms perform daily tasks to exist and make a profit (Grant, 1996; Winter, 2003). These operational capabilities maintain business viability by enabling a firm to generate value and create a profit (Winter, 2003; Helfat & Winter, 2011) while also maintaining business performance (Inan & Bititci, 2015). Operational capabilities enable a firm to perform an activity on a continuous basis, using familiar techniques to support existing services and products targeting current customers (Helfat & Winter, 2011). Winter (2003: p. 992) uses the analogy of a firm in equilibrium, *'selling the same product, on the same scale and to the same customer population over time.'* Thus, these operational capabilities are ordinary in the sense that they maintain the status quo and facilitate the day-to-day running of the firm. In contrast, capabilities that change for example, the product, service, customer base or scale of the operation, are not ordinary and align themselves with dynamic capabilities (Eisenhardt, 1989b; Teece *et al.*, 1997; Zollo & Winter, 2002).

Therefore, while operational capabilities perpetuate the daily functioning of a firm, it is dynamic capabilities that enable the firm to change how it currently makes a living (Helfat & Winter, 2011). There is a paucity of literature within the wider service sector pertaining to the factors attributable to the establishment of dynamic capabilities and

such literature is in even more of an abeyance within the specific tourism sector (Denicolai *et al.*, 2010; Camisón & Monfort-Mir, 2012). Dynamic capabilities are seen as the ‘*capacity to effect change and remain hidden until exercised*’ and their existence is subliminal, temporal and within the realm of tacit knowledge (Easterby-Smith *et al.*, 2009: p. 4). This efficacy of dynamic capabilities is reiterated by Barreto (2010: p. 271) as being a firm’s potential to address challenges and ‘*solve problems ...sense opportunities and threats ...and to change its resource base.*’ In such a manner, dynamic capabilities maintain and enhance competitiveness by altering the existing resource base (Evans, 2016). Such intervention is evidenced in extant literature through the research of Haugland *et al.* (2011), who identified that dynamic capabilities can be applied collaboratively to tourism destinations and alleviate the fragmented, insular aspect of tourism units. Similarly, dynamic capabilities manifest themselves as innovative behaviours (Camisón & Monfort-Mir, 2012), and as a resource of organisational knowledge (Nieves & Haller, 2014). Serendipity is not an ingredient and the use of dynamic capabilities is intentional and deliberate (Zahra *et al.*, 2006; Helfat *et al.*, 2007). Tourism micro-firms have finite resources (Kearney *et al.*, 2017a) and the future acting nature of dynamic capabilities (Helfat & Winter, 2011) negates their spontaneous use as an immediate remedy to a prescient situation.

The foregoing has established that dynamic capabilities do not involve the production of a good or service but instead build, integrate or reconfigure lower level operational capabilities (Helfat & Peteraf, 2003). Table 2-4, imparts the salient characteristics of operational and dynamic capabilities existing in a linear relationship and illustrates how each perform different functions within the firm. Operational capabilities are the foundation of a firm’s existence and enable the business to trade on a daily basis within the present (Winter, 2003). As such, they promote the efficient running of the firm by utilising path dependent routines and familiar processes to maintain the status quo (Helfat & Winter, 2011). In contrast, dynamic capabilities alter how a firm currently operates and take it to a desired future state of operation (Helfat *et al.*, 2007). They are deliberate reconfigurations of the existing resource base and fail to be effective at operational level. However, although both sets of capabilities exist side by side, the transition between the two is not well demarcated (Helfat & Winter, 2011). Newey & Zahra (2009) challenge the omnidirectional nature of hierarchical dynamic capabilities and theorise that the relationship between operational and dynamic capabilities is

instead bidirectional; lower level operational capabilities affect the efficacy of higher level dynamic capabilities and vice versa. Similarly, Helfat & Peteraf (2003) theorise that all capabilities have the potential to accommodate change, including non-dynamic ones and that some capabilities that deal with learning, change and adaptation do not require the intervention of dynamic capabilities.

Table 2-4: Hierarchical Capability Characteristics

Operational Capabilities	Dynamic Capabilities
<ul style="list-style-type: none"> • Enable a firm to exist in the present • Facilitate day to day running of a firm • Familiar routines that generate a profit • Preserve the status quo • Antecedents to dynamic capabilities • Promote efficiency 	<ul style="list-style-type: none"> • Change how firm currently makes a living • Potential to sense opportunities and threats • Transforms existing resource base • Deliberate and focused effort • Reconfigures operational capabilities • Serve no function at operational level

Source: Author

2.3.1.2 The potency of hierarchical capability levels

How well the operational capability performs after reconfiguration, ultimately impacts upon the efficacy of the dynamic capability (Zahra *et al.*, 2006; Ambrosini & Bowman, 2009; Inan & Bititci, 2015). Newey & Zahra (2009) theorise that a firm requires strong operational capabilities for dynamic capabilities to be effective, thereby reversing the traditional superior/ inferior capability relationship. Easterby-Smith *et al.* (2009: p. 7) acknowledge the potency of dynamic capabilities by attributing them with providing ‘*opportunities for knowledge gathering and sharing, continual updating of the operational processes, interaction with the environment and decision-making evaluations.*’ They act not only as a catalyst for triggering a firm’s resources but may also be viewed as a firm’s *raison d’être* (Leonidou *et al.*, 2015). In such instances, dynamic capabilities are the linking interface that foster greater competitiveness, enhance performance and adapt to variations within the trading environment (Krasnikov & Jayachandran, 2008). Teece (2016: p. 210) transcends the concept of hierarchical levels by stating that ‘*ordinary capabilities are about doing things right, dynamic capabilities are about doing the right things, at the right time.*’ This contrast is explained succinctly by Helfat & Winter (2011) who assert that lower level capabilities maintain the status quo and enable a firm to function on an ongoing basis, whereas dynamic capabilities facilitate the firm in altering how it currently makes its living. As such, dynamic capabilities are deemed to be irrelevant at enterprise level (Augier & Teece, 2009), since they are removed from the day to day routine of functional

efficiency. Firms can no longer outperform competitors by operational excellence using lower level capabilities, instead they must excel at adapting to new situations and learning how to do new things through higher order capabilities (Reeves & Deimler, 2011). Thus, operational and dynamic capabilities differ in their purposes and intended outcomes and it is this present/ future distinction that permeates throughout this research study.

2.4 Utilising dynamic capabilities in the marketplace

An effective organisation is one that carves out a niche market, constantly rearranging managerial processes and relationship structures; an ineffective one does not succeed at this market alignment task and struggles with process and structural mechanisms (Miles *et al.*, 1978). Zollo & Winter (2002: p. 340) assert that '*an organisation that adapts in a creative but disjointed way to a succession of crises is not exercising a dynamic capability.*' Schindehutte & Morris (2001: p. 84) introduce the notion of '*ongoing adjustments*' within the managerial activities of small business OMs, for whom uncertainty and risk are inevitable consequences of entrepreneurial activity. Rindova & Kotha (2001) posit that in periods of rapid change, competitive positioning can be regenerated through the deployment of dynamic capabilities and strategic adaptiveness; they term this process '*continuous morphing*' (p. 1264). Both of these approaches are in contrast to ad hoc problem solving, 'fire brigade' management, or industry 'best practice', whereby firms are merely realigning their competitive positioning with other sectoral players, rather than generating superior returns and forging ahead with a sustainable competitive advantage (Winter, 2003; Teece, 2007). Winter (2003) summarises that neither ad hoc problem solving nor textbook best practices constitute dynamic capabilities; such activities may preserve the organisational status quo, but fail to raise it to the higher echelons of intangible indispensability. Thus, a dynamic capability is not a spontaneous reaction or an unstructured method of problem solving, it must be repeatable (Winter, 2003; Helfat *et al.*, 2007; Schreyögg & Kliesch-Eberl, 2007) and is a deliberate and intentional change to the resource base (Ambrosini & Bowman, 2009).

Eisenhardt & Martin (2000) adopt a different view on dynamic capabilities and argue that they are indeed representative of best practices and as such cannot be a source of superior firm performance or competitive advantage. This view is countermanded by Teece (2007) and Helfat *et al.* (2007) who contend that competitive advantage is not

serviced by best practices and that the latter does not constitute dynamic capabilities. Synthesising insights from relevant empirical studies, Eriksson (2014) proposed that dynamic capabilities are believed to consist of firm specific processes and that they are preceded by antecedents which are external or internal to the firm. The subsequent outcomes are governed by alterations to operational capabilities and performance indicators, resulting in growth, increased performance and competitive advantage (Teece *et al.*, 1997; Li & Liu, 2014). Eisenhardt & Martin (2000) concur with the ascertainment that dynamic capabilities are process orientated, but this view is challenged by Wang & Ahmed (2007) who argue that dynamic capabilities transcend this level of operationalism and are embedded within the processes themselves. Wang & Ahmed (2007) argue that firm processes are too generic and codefiable and are readily transferable between organisations, a trait which negates the efficacy, ephemerality and idiosyncrasy of dynamic capabilities. It is the dynamic capabilities perspective that allows firms to change their valuable resources over a period of time and to replicate this process repeatedly (Ambrosini *et al.*, 2009). In doing so, effective firms create and maintain a viable market for their services or goods, whereas ineffective firms do not redefine their interaction with the environment (Miles *et al.*, 1978).

2.4.1 Building a competitive position through capability development

The ability of a firm to outperform competitors and attain a sustainable competitive position is the central theme of strategic management. Extant literature (Collis, 1994; Teece *et al.*, 1997; Eisenhardt & Martin, 2000; Winter, 2003) attributes such competitive advancement to the interaction of dynamic capabilities at a high level, upon the underlying ordinary level capabilities, in an effort to transform the core resource base. The fact that such capabilities are intrinsic everyday occurrences within the operational environment of the firm, run the risk of them becoming mere routines, which may lead to market irrelevance, inertia and business failure (Teece *et al.*, 1997). The role of dynamic capabilities is to promote adaptability and evolution by reconfiguring the baseline operational capabilities, transposing the firm from a state of reactive functional complacency to proactive entrepreneurial astuteness (Zollo & Winter, 2002; Zahra *et al.*, 2006; Helfat *et al.*, 2007). Firms wishing to attain a sustainable competitive advantage should not be limited by their resources at a given point in time, but rather should adapt and search for new future resources and capabilities (Casanueva *et al.*, 2015). Such proactive strategies are particularly

amenable to the tourism industry (Claver-Cortés *et al.*, 2007; Alonso-Almeida *et al.*, 2015; Carlisle *et al.*, 2016) and further research is needed into managerial actions within tourism micro-firms (Ateljevic, 2007; Samujh, 2011).

Tourism micro-firm OMs operate in a competitive environment and a means of differentiating themselves from business rivals is a requisite (Borges Tiago *et al.*, 2016; Kearney *et al.*, 2017a). The ability of some firms to outperform their competitors within the same sector, by fostering an ethos of sustainable competitive positioning, is a fundamental focus of strategic management (Teece *et al.*, 1997). Competitive advantage is the ‘*Holy Grail*’ (p. 91) within strategic management literature and while dynamic capabilities are superfluous for capability building and strategic change, they address the important aspect of ‘*how to sustain a capabilities based advantage in the context of environmental change*’ (Helfat & Peteraf, 2009: p. 91). Competitiveness within the tourism sector transcends a narrow price focus and is especially dependent upon the ability of the firm to differentiate itself within the marketplace (Camisón & Forés, 2015). The ambiguity connected with the type and effectiveness of dynamic capabilities and the propensity of micro-firms to integrate them into their limited resource base lends a sense of gravitas to their ultimate selection.

Distilling down the theory of dynamic capabilities into a relevant and applicable component is challenging; resources are finite and the opportunity cost of an incompatible course of action would be immense and may generate an unintentional adverse outcome (Ambrosini & Bowman, 2009). The unique environment within which micro-firms exist and compete, places additional pressure on OMs to achieve favourable results and a wide spectrum of efficacy is evident from Table 2-5. The table illustrates that developing inferior or erroneous dynamic capabilities will at best yield no potential marketplace gains and at worst will position the firm on a misguided trajectory whereby the reconfigured resources are irrelevant at enterprise level. The antithesis of this is a resource base that is aligned to marketplace demand to produce a transient period of competitiveness, or alternatively, the pinnacle of dynamic capability development is an unassailable competitive stance through an inimitable reconfigured resource base.

Table 2-5: Dynamic Capability Development Outcomes

Sustainable Competitive Advantage	Temporary Competitive Advantage	Competitive Parity	Market Failure
<ul style="list-style-type: none"> • Resource base not readily duplicated • Economic rents are sustained 	<ul style="list-style-type: none"> • Hypercompetition results in a transient advantage that is soon replicated by rivals 	<ul style="list-style-type: none"> • Resource base only allows a firm to operate rather than outperform its rivals 	<ul style="list-style-type: none"> • The resulting resource stock is not relevant to the market

Source: Ambrosini & Bowman (2009: p. 38)

Teece (2007) argues that the function of dynamic capabilities is to modify the existing resources of the firm and to produce new changes. Altering the resource base of a firm infers that it is performing different functions, but it may not necessarily be doing them any better than previously (Helfat *et al.*, 2007). Collis (1994: p. 150) was somewhat enigmatic in evaluating the question of how valuable dynamic capabilities are in securing competitiveness, and offered the vague response of ‘*it depends.*’ He regarded them as part of a wider sphere of influence, rather than a panacea for declining market competitiveness. In a similar vein, Camisón *et al.* (2015) argue that dynamic capabilities fail to exude a positive relationship in terms of a firm’s competitive positioning and that marketing and coordination capabilities come to the fore within tourism micro-firms. Additionally, Teece (2007: p. 1320) injected a note of caution into the literature by stating that ‘*dynamic capabilities lie at the core of enterprise success (and failure).*’ Similarly, Zahra *et al.* (2006) contend that dynamic capabilities are not quick fix solutions but rather are future orientated and take time to materialise, thereby excluding their existence within newly set-up firms. Table 2-5 illustrates these points, whereby the deployment of dynamic capabilities does not guarantee success and that the end result may be disadvantageous and not in keeping with the desired outcome.

2.4.2 The transient nature of competitive actions

Competitiveness is a transitory phenomenon (Winter, 2003; Ambrosini *et al.*, 2009) and managers must reconfigure their resources and capabilities to create a sustainable competitive stance (Amit & Schoemaker, 1993). Penrose (1959) contends that it is how management utilise the resources and the ensuing services at their disposal, rather than merely accumulating them, that is the core issue. Further developing this point, Penrose (1959: p. 5) states that the experience and business acumen of management ‘*will affect*

the productive services that all its other resources are capable of rendering.' Sustainable competitiveness is therefore created when a firm purposefully initiates a value creating strategy not already in existence within the marketplace, or when extant firms are unable to duplicate the benefits of such a strategic undertaking (Barney, 1991). Camisón & Forés (2015) focused on the organisational equivalent of the '*nature or nurture*' leadership conundrum, pitching internal resources and competencies against external environmental influences.

Camisón & Forés (2015) examined the relative importance of competing actors such as external forces and internal characteristics with regard to the antecedents of competitiveness. Their literature argues that uncertainty and impermanence within the geography of the business domain negate any predetermined clear advantage within either functional realm. '*Sustainable advantage requires more than the ownership of difficult to replicate knowledge assets*' and it is dynamic capabilities that address this issue of sustainability (Teece, 2007: p. 1319). Dynamic capabilities invigorate firm level resources in response to the vigour of the trading environment and build upon the inherent network of core competencies and capabilities (Evans, 2016). Their function is to offer insight into '*enterprise level competitive advantage over time*' (Teece, 2007: p. 1320). Competitiveness can emerge from scarce capabilities at a point in time, whereas sustainable competitive advantages utilise dynamic capabilities to create, modify and maintain the relevancy of the capability stock (Day, 2011).

The dynamic capabilities view relates to how firms can generate a succession of temporary advantages to overcome the deprecation of a changing environment (Barreto, 2010). The fluidity and environmental uncertainty negate any possibility of anything more than a temporary competitive advantage (D'Aveni *et al.*, 2010). However dynamic capabilities are not synonymous with sustainable competitive advantage, and are deliberate actions undertaken to affect change within the firm's resource base (Ambrosini & Bowman, 2009). Dynamic capabilities lose their effectiveness and distinctiveness over time and can never grant sustainable advantage, thus firms should endeavour to rejuvenate their offerings to counteract this erosion (D'Aveni *et al.*, 2010). The efficacy of dynamic capabilities may be invalidated in rapidly changing environments, resulting in firms having to reinvent and replenish further capabilities to remain competitive; this regenerative mechanism suffers from a lack of research (Schilke, 2014).

2.4.3 Market conditions impacting dynamic capabilities

There is an increasing recognition that firms operate in rapidly changing (Teece *et al.*, 1997), high velocity (Eisenhardt, 1989b) or hypercompetitive (D'Aveni *et al.*, 2010) environments and that in such instances, adaptive capabilities are seen as a requisite for firm survival (Schreyögg & Kliesch-Eberl, 2007). However, there is also a lack of agreement within the literature regarding the impact of the trading environment upon dynamic capabilities. Teece *et al.* (1997) attribute them to a dynamic environment, Zollo & Winter (2002) and Zahra *et al.* (2006) contend that the environment may be relatively stable and Makadok (2001) is indifferent to the environmental characteristics. Thus, there are variations within the literature regarding the contextual nature of dynamic capabilities and their relevancy to the external environment. The degree of environmental turbulence was further diffused by Zollo & Winter (2002) who theorised that even environments with low rates of change were amenable to the concept of dynamic capability intervention. Concurring with this view that the dynamism is in the capability and not the marketplace, Zahra *et al.* (2006: p. 922) acknowledged that *'a volatile or changing environment is not a necessary component of a dynamic capability.'* This concept befits the tourism sector, which is an industry that is characterised by incremental changes and steady evolution (Nieves & Haller, 2014). However, in spite of these assertions, there was a concessionary tone adopted by Zollo & Winter (2002) and Zahra *et al.* (2006) that the efficacy of dynamic capabilities may be more potent in less sedentary environments.

2.4.4 Practical applications of dynamic capabilities

Having outlined the genesis and characteristics of dynamic capabilities, it is pertinent to offer examples of how such capabilities emerge from their theoretical cocoon and manifest themselves within the business environment. The research of Inan & Bititci (2015) into dynamic capabilities, Table 2-6, serves to illustrate the prevalence and versatility of such capabilities within the firm environment and signposts a change to the existing daily routine and best practice scenarios.

Table 2-6: Dynamic Capability Examples

Dynamic Capability	Literature
Research & Development	Easterby-Smith <i>et al.</i> (2009); Teece <i>et al.</i> (1997); Danneels (2016)
Innovation, Change management	Easterby-Smith <i>et al.</i> (2009); Camisón & Monfort-Mir (2012); Harreld <i>et al.</i> (2007)
Product Development	Easterby-Smith <i>et al.</i> (2009); Eisenhardt & Martin (2000); Teece <i>et al.</i> (1997)
Environmental Scanning	Teece <i>et al.</i> (1997); Eisenhardt & Martin (2000); Wang & Ahmed (2007); Evans (2016)
Networking	Easterby-Smith <i>et al.</i> (2009); Helfat & Peteraf (2015)
Alliancing & Acquisition	Teece <i>et al.</i> (1997); Eisenhardt & Martin (2000)
Resource Reconfiguration	Ambrosini <i>et al.</i> (2009); Winter (2003); Helfat <i>et al.</i> (2007); Teece <i>et al.</i> (1997);
Knowledge Development	Teece <i>et al.</i> (1997); Eisenhardt & Martin (2000); Zollo & Winter (2002); El Akremi <i>et al.</i> (2015)
Marketing	Easterby-Smith <i>et al.</i> (2009); Li & Liu (2014); Melián-González & García-Falcón (2003)
Market disruptiveness, new product or process development	McKelvie & Davidsson (2009); Zahra <i>et al.</i> (2006); Biedenbach & Müller (2012)

Adapted from Inan & Bititci (2015: p. 315)

Schilke (2014) highlights the impermanence and fragility of dynamic capabilities within a rapidly fluctuating business environment, contending that in such instances dynamic capabilities lose their economic currency and need to be rejuvenated or amended. By their nature, dynamic capabilities are future oriented in terms of problem solving or generating new resource configurations (Danneels, 2016). Table 2-7 shows the influence of dynamic capabilities upon the resources and trading environment within a firm. The aim is to demarcate the specific functions of higher level capabilities from those at lower level. The table illustrates that dynamic capabilities deliberately and consciously manifest themselves in an altered trading landscape; one which eschews the banality of routine operations and strives to embrace change through new routines and a reconfigured resource base. The value of such dynamic capabilities originates from their outputs and the reconfiguration of a new set of valuable resources (Ambrosini & Bowman, 2009). It can be seen that the term ‘dynamic’ is more attributable to the impact that the capabilities have on the substance of the firm, in terms of change orientation and resource configuration (Eisenhardt & Martin, 2000; Winter, 2003; Helfat & Winter, 2011), rather than merely relating to a fast paced environment (Nieves & Haller, 2014).

Table 2-7: Impact of Dynamic Capabilities

Impact of Dynamic Capabilities	Literature
Govern rate of change	Winter (2003); Zaheer & Zaheer (1997); Rindova & Kotha (2001); Peteraf et al. (2013)
Integrate, build, reconfigure competences	Zahra et al. (2006); Teece (2007); Nieves & Haller (2014); McKelvie & Davidsson (2009)
Create market change	Eisenhardt & Martin (2000); Sirmon et al. (2007)
Improves effectiveness	Zollo & Winter (2002); Augier & Teece (2009); Day (2014); Denicolai et al. (2010)
Modify or create ordinary capabilities. Alter resource base. Improve firm activities	Winter (2003); Helfat & Peteraf (2009); Collis (1994); (Teece et al., 1997); Schreyögg & Kliesch-Eberl (2007)
Promote economically significant change	Helfat & Winter (2011); Pablo et al. (2007); Dixon et al. (2014); Evans (2016)

Source: Author

2.4.5 Identifying capabilities within empirical research

Qualitative research into capabilities is hindered by accurately classifying practices as capabilities (Lawson & Samson, 2001; Jantunen *et al.*, 2012). This sentiment is reiterated by Grant & Verona (2015) who posit that qualitative research into organisational capabilities is being hampered by the difficulties of identifying the capabilities present within the firm. With this in mind, Grant & Verona (2015: p. 67) offer guidelines to facilitate the classification of the requisite capabilities. *'Performance: is the capability manifest in a particular task or function'*; *'Cognition: Are those who perform the capability or those who manage them, aware of it and able to articulate it?'*; *'Action: is the capability manifest in observable routines, processes, decisions, directions and activities within the organisation.'* Di Stefano *et al.* (2014: p. 312) are also conscious of creating substance out of intangibility by asking a series of pertinent and probing questions which offer structure to defining dynamic capabilities; (1) What is the core nature of a dynamic capability? (2) Who engages with it? (3) What action does it illicit? (4) What is the target object of the action? (5) Where does the ultimate goal lie? Such inquiry adds texture, shape, purpose, direction and efficacy to the ephemerality of the concept of dynamic capabilities.

This intangibility was noted by Grant & Verona (2015: p. 61) who contended that empirical research into organisational capabilities is limited because such attributes are *'latent constructs that are inherently unobservable'* and that the undertaking of an associated deed or action is evident only during its performance. Eriksson (2014: p. 65) illustrated the lack of unanimity within extant research on dynamic capabilities, citing influential literature by: Wang & Ahmed (2007), who examined organisational

similarities; Ambrosini & Bowman (2009), who focused upon the development of dynamic capabilities; Barreto (2010), who re-imagined a new conceptualisation of the concept; and Di Stefano *et al.* (2010), who synthesised 40 seminal articles within the dynamic capabilities research domain. Eriksson (2014) fails to uncover a harmonisation of views and contends that each of the aforementioned studies arrive at a different set of conclusions. Therefore, in order to encapsulate the concept of capabilities within an interrogative framework it is necessary to make its trajectory within the firm more perceptible by utilising astute questioning. Table 2-8 outlines such a strategic and iterative approach, as Barrales-Molina *et al.* (2014) anchor the intangible nature of dynamic capabilities within the organisation realm. Each interrogative encounter is designed to screen the capability for efficacy and legitimacy, while also establishing its position within the hierarchical framework of capabilities.

Table 2-8: Recognising the Existence of Higher Level Capabilities

Can it be considered a higher level capability	Literature
Is it developed in the organisation?	Ambrosini & Bowman (2009)
Is it a set of processes embedded in the firm?	Eisenhardt & Martin (2000)
Is it a path dependent phenomenon?	Zollo & Winter (2002); Teece <i>et al.</i> (1997)
Is it intentional and deliberate?	Helfat <i>et al.</i> (2007); Zollo & Winter (2002)
Is it a process that influences other resources, capabilities or routines?	Ambrosini & Bowman (2009); Zahra <i>et al.</i> (2006); Zollo & Winter (2002)
Is it a stable and repeated process rather than a spontaneous process?	Ambrosini & Bowman (2009); Zahra <i>et al.</i> (2006); Zollo & Winter (2002)
Is it the result of managers' commitment?	Adner & Helfat (2003)
Can it be measured through four essential underlying processes? (sensing, seizing, reconfiguring and leveraging)	Pavlou & El Sawy (2011); Teece (2007)

Source: Barrales-Molina *et al.* (2014: p. 402)

2.5 Adaptive capabilities as a component of dynamic capabilities

This point in the literature has been characterised by broadly categorising dynamic capabilities as a single entity, rather than acknowledging the functionality of its component parts, as will be outlined in Figure 3-1, page 61. Based on prior literature themes, recognised gaps are underscored by the guiding research question, this research is orientated towards a theoretical focus on firm specific adaptive capabilities. Adaptive capability is defined as '*the making of appropriate adjustments to the business and its strategic focus,*' altering strategic behaviour to create a better fit between the organisation and the competitive environment (Schindehutte & Morris, 2001: p. 84). The concept reflects the capacity to redesign resources and stratify processes in response to a changing environment (Gibson & Birkinshaw, 2004; Biedenbach &

Müller, 2012; Chrysochoidis *et al.*, 2016; Wilke *et al.*, 2019). Reeves & Deimler (2011) contend that adaptive capability stems from the ability to: sense and react to change signals; embrace new products/ services and business models; manage complex relationships between multiple stakeholders; and motivate employees. Eshima & Anderson (2016: p. 1) further describe the term as a firm's '*proficiency in altering its understanding of market expectations*' and that such activity is the by-product of new resource combinations and increasing organisational boundaries, which ultimately yield enhanced entrepreneurial activity. This conscious involvement in the process of new resource configuration bestows upon decision makers '*the capacity to reconfigure activities in the business unit quickly to meet changing demands in the task environment*' (Gibson & Birkinshaw, 2004: p. 209).

Adaptive capability '*captures the essence*' of dynamic capabilities (Zhou & Li, 2010: p. 225) and enables firms to engage in appropriate strategic actions to maximise market opportunities. There is a direct correlation between adaptability and enhanced firm performance (Bourgeois, 1980; Snow & Hrebiniak, 1980), with Eshima & Anderson (2016) contending that a prominent antecedent to adaptive capability is a changing resource base. Indeed the ability to handle organisational change is, in itself, the kernel of management (Chakravarthy, 1982). In a similar disposition, Oliver (2016) argues that '*adaptability*,' rather than '*advantage*,' is now at the core of the strategic process. Such propensity for entrepreneurial activity is seen by Biedenbach & Müller (2012) as the adaptive capability to identify and benefit from nascent business opportunities; engage in business intelligence activities; improve an existing innovative product; nurture incremental product development; and foster enhanced customer experience.

2.5.1 Classifying adaptive capabilities

Adaptive capabilities are contingent upon how well an organisation successfully manages the interface between dynamic and operating capabilities (Newey & Zahra, 2009). Innovation capability is deemed a dynamic capability (Helfat *et al.*, 2007), and similarly absorptive capability is categorised by Zahra & George (2002) as a dynamic capability. By categorising absorptive capability as a true dynamic capability, it reflects the ability of a firm '*to respond to strategic change...by reconstructing its core capabilities*' (Sun & Anderson, 2010: p. 134). Just as there is a lack of unanimity in classifying dynamic capabilities (Schreyögg & Kliesch-Eberl, 2007; Peteraf *et al.*, 2013; Eriksson, 2014), there is an equal divergence in academic opinion regarding the

nature of adaptive capabilities. Wang & Ahmed (2007) portray the term as a component of dynamic capabilities and regard adaptive capabilities as being influenced by dynamic capabilities. In contravention of this viewpoint, Day (2011); (2014) not only differentiates between adaptive and dynamic capabilities, but actively theorises that the latter are a separate entity and precede adaptive capabilities. Similarly, Chrysochoidis *et al.* (2016: p. 442) posit that adaptive capabilities are within the upper echelons of the capability hierarchy and are '*a higher-importance dynamic capability.*' Thus, adaptive capabilities are given top tier hierarchical positioning and are deemed to further reconfigure dynamic capabilities.

In contrast, other theorists fail to differentiate between both concepts and use the terms interchangeably, such as '*a dynamic adaptive capability*' (Carter, 2015: p. 805) or in juxtaposition '*adaptive dynamic capabilities*' (Rouse & Ziestma, 2008: p. 1). Elsewhere in the literature (Eshima & Anderson, 2016), the term adaptive capabilities is more muted and nondescript and the concept exists without any reference to dynamic capabilities within the body of text. Having considered a range of perspectives regarding the relationship between innovative capabilities and dynamic capabilities, Breznik & Hisrich (2014: p. 379) maintain that both terms are interchangeable and that '*the meaning does not change*' when deliberating either concept. This research is specifically attuned to adaptive capabilities and regards the concept as being an integral part of dynamic capabilities and as such does not seek to generate academic debate over hierarchical capability positioning. Therefore, the constituents of higher level capabilities are regarded as being synonymous with the term dynamic capabilities and are not afforded either preferential or detracted status in this study.

2.5.1.1 Determining the nature of adaptive capabilities within this study

The provenance of both dynamic capabilities at a broad level and adaptive capabilities at a specific level are contested within the reviewed literature. Dynamic capabilities are seen as an intangible concept, a 'black box' (Wang & Ahmed, 2007; Ambrosini *et al.*, 2009; Pavlou & El Sawy, 2011), with a lack of harmony as to their efficacy or permanency (Eriksson, 2014). Similarly, adaptive capabilities are regarded either as core components of dynamic capabilities (Wang & Ahmed, 2007; Zhou & Li, 2010; Biedenbach & Müller, 2012) or that both terms are interchangeable and that adaptive capabilities are synonymous with dynamic capabilities (Breznik & Hisrich, 2014; Carter, 2015; Chrysochoidis *et al.*, 2016; Kaur & Mehta, 2017). In a further effort to

deconstruct the relationship, Day (2011) proposes that dynamic capabilities are subservient to adaptive capabilities and that it is adaptive capabilities that reconfigure dynamic ones and not vice versa. Deciphering such academic ambiguity is beyond the scope of this research, whose core focus is to explore the presence of adaptive capabilities within tourism micro-firms, rather than to attempt to untangle the contentious relationship between dynamic and adaptive capabilities. Equally, the study did not seek to understand the multiple levels of capabilities in existence, as theorised by extant literature (Collis, 1994; Danneels, 2002; Winter, 2003; Zahra *et al.*, 2006). The findings acknowledged the presence of a base layer of operational capabilities (Winter, 2003) which facilitate the day-to-day running of the business, as well as the existence of higher level capabilities which transpose the firm to an unfamiliar future state of operation (Teece *et al.*, 1997; Helfat & Winter, 2011). Adaptive capabilities within this study are regarded as being removed from the routine operational aspect of the business and as such are positioned within the realm of higher capabilities. Dynamic capabilities are themselves higher level capabilities and therefore by inference, adaptive capabilities are also within this jurisdiction. The concept of multi-level dynamic capabilities did not resonate with the OMs (Inan & Bititci, 2015; Alonso *et al.*, 2018). However, the findings illustrated a tangible awareness of core day-to-day activities (operational capabilities) and an intrinsic mindfulness of pushing beyond the daily existence to improve the product or service (higher level capabilities).

In summary, this study explores tourism micro-firm OMs higher level adaptive capabilities, responding to calls for senior tourism research (Alén *et al.*, 2014; Caber & Albayrak, 2014) as a potential means through which to address the challenges of seasonality (Higham & Hinch, 2002; Jang, 2004; Cuccia & Rizzo, 2011; Connell *et al.*, 2015; Duro, 2016) in the culture and heritage sector. The focus on adaptive capabilities within the cultural heritage realm is warranted due to the intent at national policy level to not only extend the trading season amongst sectoral practitioners (Department of Transport Tourism and Sport, 2015; 2016b; Fáilte Ireland, 2019), but to also increase revenue generation by cultivating new untapped market segments (Fáilte Ireland, 2014b; 2016a). Firms require an adaptive mind-set in order to leverage the demands of a fluid trading environment and provide an effective means of attaining competitiveness. This can be achieved through higher level capability engagement (Zhou & Li, 2010; Wang, 2016). The intended transformation and renovation of the

Irish tourism sector over the period 2015-2025, necessitates that those businesses within the tourism landscape foster ‘*the right mix of skills,*’ as indicated to by the Department of Transport Tourism and Sport (2015: p. 6). A pertinent means of evaluating upcoming market trends and harnessing the revenue potential of senior tourism is to enable the development of key adaptive capabilities.

2.6 Conclusion

This chapter introduced the concept of the resource based view of the firm as a means of differentiating firm performance. Dynamic capabilities were subsequently developed as a more appropriate indicator of strategic intent and their hierarchical levels were outlined and explored. Both the efficacy and transient nature of dynamic capabilities were considered, as well as the difficulty of classifying and identifying the concept. The chapter also articulated the presence and importance of adaptive capabilities, a core component of dynamic capabilities, by which firms reconfigure their available resources in response to changing market demands.

Chapter 3:

Exploring Micro-Firm Adaptive Capability Development

3.0 Chapter introduction

The previous chapter introduced the concept of utilising capabilities to reconfigure resources in order to satisfy market demands and how such capabilities operate at different levels in tandem with the strategic positioning of the OM. This chapter serves as a point of convergence for the diverse theoretical strands and associated literature gaps in chapter one, and amalgamates them with the theoretical underpinnings outlined in chapter two. Chapter one established the prevalence of tourism micro-firms within Ireland (Reinl & Kelliher, 2014; Fáilte Ireland, 2015b) and these points of contact for senior tourists are distinguishable by their unique organisational composition and managerial ethos (Welsh & White, 1981; Gherhes *et al.*, 2016). The concept of adaptive capabilities will be further developed and centre upon micro-firm OM responses to market stimuli and the strategic ethos of the firm. The chapter will highlight the importance of the OM, both as the primary decision maker and key resource asset within micro-firms (Campin *et al.*, 2013; Brouder & Eriksson, 2013) and how the unique characteristics of these micro-firms facilitate senior tourism engagement (Alén *et al.*, 2012; Ward, 2014). Thus, it is fitting that the OM is a vital component within the architecture of adaptive capability engagement. The remainder of the chapter will build the literature towards a conceptual framework which will be a visual representation of the thematic waypoints encountered thus far within the research.

3.1 Adaptive capabilities as an emerging micro-firm concept

This research study is viewed through the decision making lens of tourism micro-firm OMs and how they adapt to external market signals by reconfiguring the finite resources at their disposal. Although higher level capabilities have an inherent potency towards competitive enhancement (Eisenhardt & Martin, 2000; Zahra *et al.*, 2006; Teece, 2007), they also possess an ephemerality (Easterby-Smith *et al.*, 2009; Schilke, 2014) which is challenging for micro-firms to engage with and capitalise upon. These challenges are evident in the assertion of Sundbo *et al.* (2007), who questioned whether it was only firms of sufficient size that could be knowledgeable enough to process external information and that innovative practices were beyond the capacity of micro-firms. Firm size and resource endowment have significant impact upon the adaptive capability of organisations, and in the view of Ma *et al.* (2009), smaller firms are at a disadvantage. Samujh (2011) proposes that this impairment results from a lack of specialism in a single area, and that those personnel within micro-firms are generalists rather than specialists, thereby lacking the necessary expertise to compete effectively. Therefore, the notion of higher level capability development within micro-firms is an emerging concept within the literature and prior theorists positioned such a phenomenon within the remit of multinational and multidivisional firms only (Helfat, 1997; Zollo & Winter, 2002; Teece, 2007). Since then, evolving literature currently acknowledges the presence of higher level capabilities amongst large firms (Dixon *et al.*, 2014; Li & Liu, 2014; El Akremi *et al.*, 2015; Patterson & Ambrosini, 2015; Danneels, 2016) and also within SMEs (Døving & Gooderham, 2008; Hussler & Kuuluvainen, 2012; Nieves & Haller, 2014; Tallott & Hilliard, 2016).

Chrysochoidis *et al.* (2016) assert that adaptive capabilities are particularly applicable to smaller firms, owing to their key decision-makers continuously striving to configure their scarce resources in new ways (Winter, 2003; Sirmon *et al.*, 2007). Williams & Vorley (2014) posit that these firms are more innovative, flexible and adaptable than larger firms and such resourcefulness is regarded by Duarte Alonso & Bressan (2014) as a means of ensuring the long term viability and economic survival of the firm. There is further fluidity amongst theorists regarding not only the size of firms but also the types of industries that may potentially utilise higher level capabilities. For example, the trading environments and firm specialisms were in diverse sectors such as information technology (Harreld *et al.*, 2007; Breznik & Lahovnik, 2016),

manufacturing (Hussler & Kuuluvainen, 2012; Danneels, 2016) oil production (Dixon *et al.*, 2014) and retail (McKelvie & Davidsson, 2009; El Akremi *et al.*, 2015). As the literature on higher level capabilities advanced, micro-firms emerged as a separate focus (Melián-González & García-Falcón, 2003; Inan & Bititci, 2015; Wang, 2016) as did the niche sector of tourism micro-firms (Kearney *et al.*, 2014; Camisón & Forés, 2015; Kelliher *et al.*, 2018a) although the latter sector is still under-researched (Duarte Alonso & Bressan, 2014).

3.1.1 Adapting to remain relevant in a changing marketplace

Given the homogenous nature of the tourism business and geographical environments, industry sector and access to communal resources (Camisón & Forés, 2015), why do certain firms continually outperform their competitors? Such success is contingent upon how successful firms transcend their competencies and utilise their intrinsic capabilities to best effect. Prior literature contends that higher level capabilities explain how firms manage the interplay between the external environment, resource management (Wang & Ahmed, 2007; Sirmon *et al.*, 2007) and the deployment of assets (Teece, 2014). The self-directed, non-hierarchical nature of tourism micro-firms, their ad hoc resources, advancing global competition and the interplay of multiple stakeholder demands have shifted the onus on such firms to enhance capabilities in order to remain competitive (Lemmetyinen & Go, 2009; Camisón & Forés, 2015).

While the tourism sector characteristically suffers from a low affinity towards new processes and products, innovative practices evolve incrementally based upon prior knowledge, in full view of competing firms (Nieves & Haller, 2014). Angle & Perry (1981) postulate that adaptability manifests itself within a multi-disciplinary cohort of skills: the ability to rapidly respond to environmental fluidity and challenges; to mirror new modes of operation; to forecast problems and to generate the capacity to embrace change. Resilient firms can recover from economic turbulence by developing the capacity for adaptation and this enterprise resilience is defined as '*the capacity for an enterprise to survive, adapt and grow in the face of turbulent change*' (Fiksel, 2006: p. 16). Koller (2016) introduces the concept of adaptive advantage, whereby firms in dynamic environments react swiftly to market stimuli, becoming more resilient and responsive to change.

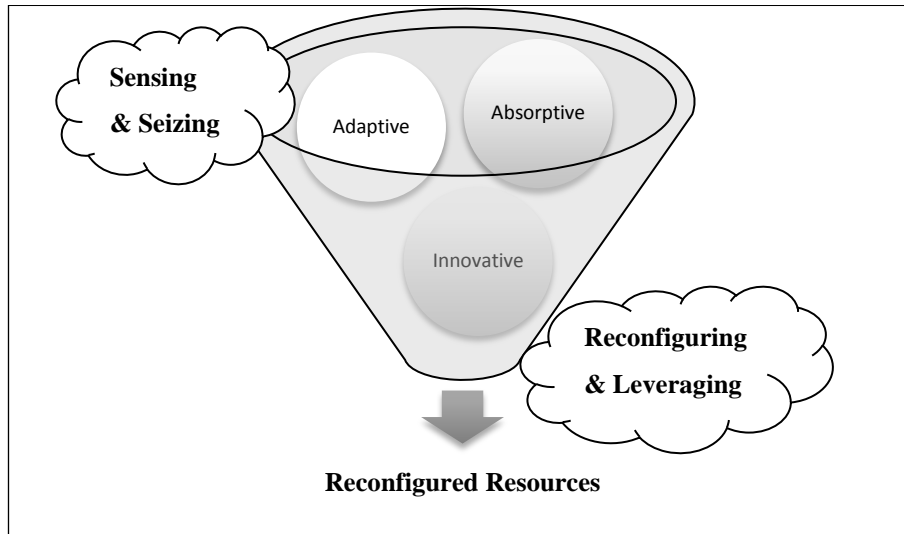
3.1.2 The nature of adaptive capabilities

Intertwined within this hierarchy lies the concept of adaptive capabilities, which are both components and subsidiaries of dynamic capabilities. The remainder of the chapter will introduce these adaptive capabilities, which empower key decision makers to react to market changes by altering their resource base and strategic direction. Wang & Ahmed (2007: pp. 36-37) identified three component factors, which not only reflect the common features of dynamic capabilities across firms, but which also bridge the boundary between '*the linking of internal resource advantage, to external marketplace based competitive advantage.*' These elements are innovative capability: gaining advantage through new markets and products; absorptive capability: combining external reconnaissance with tacit knowledge in a manner that will align with market intelligence and foster pertinent business opportunities; and adaptive capability: being able to synchronise resource deployment and utilisation with external environmental behaviour.

Wang & Ahmed (2007) clearly delineate adaptive capabilities, in conjunction with absorptive and innovative capabilities, as being merely one component of dynamic capabilities. Adaptive capabilities are geared towards identifying and assessing emerging market opportunities (Wang & Ahmed, 2007). Chakravarthy (1982) asserts that the core features of adaptive capabilities are investments in marketing initiatives, the speed of response to changing market conditions and the ability to respond to external market opportunities. Eshima & Anderson (2016: p. 770) posit that '*increased adaptive capability is a consequence of the new resource combinations that result from expanding organisational boundaries.*' Firms can undertake different levels of adaptive capability (Miles *et al.*, 1978; Chakravarthy, 1982) which is meritorious in terms of financial resource alignment (Oktemgil & Greenley, 1997).

Figure 3-1 illustrates the composition of dynamic capabilities into the three aforementioned components (adaptive, absorptive and innovative capabilities) which are common across firms and the associated firm specific processes (sensing, seizing, reconfiguring and leveraging) which are unique and idiosyncratic to the management decision making team.

Figure 3-1: Deconstructing Dynamic Capability Components and Processes



Adapted from Wang & Ahmed (2007) and Teece *et al.* (1997)

This research specifically focuses upon how micro-firm OMs may strategically reconfigure their limited resource base in response to external market stimuli. An innovative capability is undoubtedly an asset in extending the boundaries of new business frontiers. Likewise, the capability to absorb environmental data and process it using inherent expertise is a requisite for managerial efficiency. Wang & Ahmed (2007: p. 39) assert that the three component factors are *'correlated, but conceptually distinct.'* However, adaptive capability is the ability to maintain competitive advantage by adapting existing capabilities (Lavie, 2006) and it is this proactive engagement with the firm's resource base by the OM that will be the pivotal point of this research. Wang & Ahmed (2007) theorise that in response to external changes, the renewal, reconfiguration and recreation of resources and capabilities is the essence of higher level capability development.

3.1.2.1 Firm specific processes leading to resource reconfiguration

Firm specific processes relate to how a firm manages to sense, seize, reconfigure and leverage its capabilities and resources in response to external environmental changes (Evans, 2016). A sensing routine enables decision makers to identify nascent business opportunities and generate knowledge. Day (2002) theorises that without an effective capacity to sense the marketplace and anticipate nascent trends, firms lose touch with their markets, are slow to react to emerging competitors and are surprised by shifts in customer demands. New opportunities are generated through scanning, learning,

creation and interpretation, whereby the required resources are deployed in response to evolving market prospects (Katkalo *et al.*, 2010). Sensing is the capability to identify and assess internal and external opportunities and may be embedded in organisational routines for exploration and scanning (Tallott & Hilliard, 2016) or through the adaptive skills of core management personnel (Teece, 2012). Market sensing techniques include creating a spirit of open-minded inquiry; analysing competitor activity; scanning the periphery of the market and encouraging continuous experimentation (Day, 2002).

A seizing routine facilitates knowledge integration and creation into business acumen activities. The organisation is displaced from its current configuration and the process is guided by strong leadership decision making (Teece, 2007). This takes the form of integrating and absorbing resources to harness and extract value from opportunities through astute strategic decision making (Katkalo *et al.*, 2010). Seizing may be regarded as the capability to capitalise upon opportunistic occurrences and requires evaluating a range of decisions based around competencies, assets and the desired strategic direction of the firm (Tallott & Hilliard, 2016). Day (2002) asserts that market driven firms may be effective in sensing their environment but the need for sense-making or seizing the harvested data and determining whether or not it is a viable fit for the firm is equally a valuable capability. Teece (2007: p. 1346) reinforces the potency of sensing and seizing routines by contending that entrepreneurial management is less about analysing and optimising and more about utilising the aforementioned routines and *'figuring out the next big opportunity and how to address it.'*

A reconfiguring routine generates innovation from the interaction of knowledge and resources, by recombining and transforming firm assets and resources (Ambrosini & Bowman, 2009). Competitiveness is achieved by mirroring market fluctuations and through continuous modification and renewal of activities (Katkalo *et al.*, 2010). Leveraging involves duplicating and adopting a system or process between business units or growing a resource base by utilising it in a new domain (Ambrosini & Bowman, 2009). This transformation process invokes capabilities for constant renewal and warrants the management of resources to sustain responsiveness and to maintain strategic fit (Tallott & Hilliard, 2016). Sirmon *et al.* (2007) contend that leveraging is a multi-faceted process which involves deploying a firm's capabilities in order to create value for customers and wealth for firm owners.

3.1.2.2 Strategic adaptation versus adaptive capability development

Organisational adaptation is the means by which firms observe market conditions, customers and competitors, and endeavour to modify their behaviour to achieve a state of equilibrium within the trading environment (Akgün *et al.*, 2012). Adaptation involves *'changes in strategic behaviour, so as to improve competitive posture and achieve better fit between the organisation and its environment'* (Schindehutte & Morris, 2001: p. 85). Adaptation strategy is cognisant of many pertinent business factors: physical premises, distribution, financial, marketing, customer profile, personnel and nature of products and services offered (Schindehutte & Morris, 2001). Oliver (2016) regards that strategic adaptation is not a Darwinian process of trial and error, or indeed chance, but is achieved by strategic planning in response to environmental changes. Such behaviour is seen as static, reactive and subservient to market idiosyncrasies and is devoid of entrepreneurial trailblazing tendencies (Chakravarthy, 1982; Teece *et al.*, 1997). There are calls within extant literature for additional research on how small firm entrepreneurs cope with adaptation (Schindehutte & Morris, 2001; Duarte Alonso & Bressan, 2014; Gherhes *et al.*, 2016), whether it is proactive, intentional, planned and strategic (Barreto, 2010; Day, 2014), or whether it is defensive, reactive and purely functional (Ambrosini *et al.*, 2009; Peteraf *et al.*, 2013). A more vigorous view of organisational adaptation is required to cope with variations in market trading conditions (Teece *et al.*, 1997; Zhou & Li, 2010), and that construct is adaptive capabilities.

Adaptive capability development is the opposite of this and actively embraces change within a turbulent business environment (Bourgeois, 1980; Biedenbach & Müller, 2012). Ma *et al.* (2009: p. 1087) define strategic adaptive capability as *'a firm's capacity to sense and respond to environmental changes in a relatively quick and flexible way'* and that a specific adaptive capability lies within alertness and responsiveness to the business environment. Lukas (1999) highlights the strategic difference in firms striking a balance between adaptability, which is the ability to respond to market fluctuations, and adaptation, which is the capacity to morph to a narrow market segment. Strategic orientation is an outward view of the alignment between strategic choices (technology, customers and competitors) and the environment, this is contrasted with the inward perspective of higher level capabilities

which focus on the reconfiguration and redeployment of firm resources (Zhou & Li, 2010).

3.1.3 Transitioning beyond operational level capabilities

Tourism operators need to adapt to fluctuations within the business environment (Borges Tiago et al., 2016). Developing a potent means of differentiating themselves from their rivals via senior tourism engagement is a key contribution of this research. Nurturing an adaptive capability ethos is a requisite for business success (Biedenbach & Müller, 2012; Oliver, 2016; Koller, 2016; Wilke *et al.*, 2019), but micro-firms may resist such an endeavour for many reasons: individual unwillingness and inability to adapt and accept change; commitments to human, physical and financial resources; adverse environmental conditions such as regulatory constraints, or insufficient customer demand (Schindehutte & Morris, 2001). A cautionary note is interjected by Baumann & Kritikos (2016: p. 1271) who argue that adversarial circumstances can be overcome and that micro-firms '*should not be assumed to be marginal businesses with no growth.*' Gherhes *et al.* (2016) makes the point that not every micro-firm is growth focused and that for many, the reality is that not all can, should or wish to expand.

Organisational inertia may constrain a firm's capacity to adapt, likewise, environmental conditions may also restrict the adaptive ethos or create little incentive to do so (Schindehutte & Morris, 2001). Day (2011) argues that when a firm is proficient at a capability that works well, the tendency is to resist deviating from such an approach. This organisational rigidity is comprised of several factors as outlined in Table 3-1 and is a barrier to adaptability. Schreyögg & Kliesch-Eberl (2007) posit that prior patterns of success can mutate into future patterns of failure, with the cause of that failure paradoxically residing in what was originally a source of triumph. This is synthesised by Gray (2002: p. 70) who cautions that '*familiar routines may eventually become shackles of outmoded practice,*' leading to stagnation and inertia. An altered resource base that is irrelevant to the market is a liability to a firm's chances of economic survival (Day, 2011). Similarly, merely nudging the resource base from its current manifestation preserves, rather than transforms, future activities and results in a competitive parity with no clear competitive advantage (Ambrosini & Bowman, 2009).

Table 3-1: Components of Organisational Rigidity

Components of organisational rigidity		
Path dependency and lock in: Successful experiences are repeated and untried strategies are dismissed.	Complacency and inertia: Long periods of success can mask the signals of irrelevant capabilities.	Structural insularity: A silo mentality limits cross functional dialogue and creative learning, thereby slowing adaptation.

Source: Day (2011: p. 184)

Getz & Nilsson (2004) contend that rather than embracing change head-on, many micro-firms defer strategic forecasting and engage in short term ad hoc planning as a coping strategy. When viewed through a higher level capabilities filter, this perpetual busyness within operational routines is systematic of operational capability deployment (Rindova & Kotha, 2001). Ateljevic (2007) outlines that most OMs are concerned with routine operational policy issues and that regulatory and financial requirements are more likely to stimulate formal planning than any personal initiative from the OM. A propensity for multitasking is both a requisite and a reality for many OMs, as time constraints necessitate balancing operational and planning activities simultaneously (Schaper *et al.*, 2005).

Micro-firm OMs perform multidisciplinary roles and are deeply embedded within the operational minutiae of the firm, which detracts from innovative engagement and strategic planning (Samujh, 2011). Micro-firm OMs need to distance themselves from becoming immersed within '*day-to-day operating issues*' (LeBrasseur *et al.*, 2003: p. 325) and foster their skills in generating growth (Gherhes *et al.*, 2016). Such is the immersion of the OM within the daily operation of the business, that there is often difficulty in differentiating between ad hoc problem solving and strategic planning (Schaper *et al.*, 2005), with many OMs engaging in sporadic marketing initiatives based upon scant formal strategy or consumer research endeavours (Ateljevic, 2007).

Getz & Petersen (2005) theorise that a common goal in terms of tourism industry competitiveness and economic development, is to foster businesses that can grow, be competitive and sustain employment. The small business entrepreneur must balance concerns over the longevity, nature and size of the opportunity, with the design of an appropriate strategy to capitalise upon such a venture (Lukas, 1999; Zajac *et al.*, 2000; Schindehutte & Morris, 2001). Strategic planning is an under-developed trait within micro-firm OMs, who prefer to substitute long range forecasting with short term operational activity (Reijonen & Komppula, 2007; Garavan *et al.*, 2007).

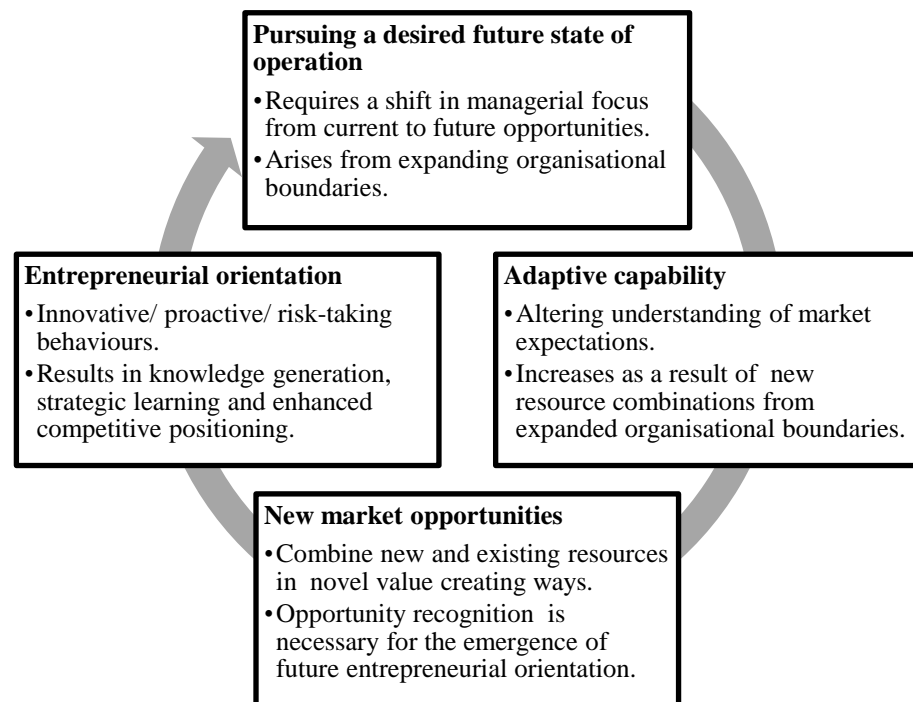
Thus, small firms tend to engage in incremental strategic endeavours through evolving behavioural patterns and resource allocation, rather than aligning with formal strategy statements or predetermined intent (Faherty & Stephens, 2016; Mellett *et al.*, 2018). The inexperience of micro-firm OMs within the broader business base also contributes to a stagnation of strategic intent (Jaouen & Lasch, 2015). Strategic decision making in micro-firms is prejudiced by what Liberman-Yaconi *et al.* (2010: p. 88) term '*idiosyncratic influences*,' such as the OM's values, personality, personal preferences as well as the firm's amassed internal resources. This view is echoed by Gherhes *et al.* (2016) who assert that it is the characteristics, skills and experience of the OMs that are key factors within any business development strategy.

3.1.4 Adaptive capability positioning

Figure 3-2 outlines the relationship between a willingness to challenge the status quo through the quest for nascent market opportunities and the pursuit of new ventures by embracing pro-active behaviours. Indeed, the interrogative and transformative nature of adaptive capabilities explicitly undermines the status quo by encouraging OMs to challenge obsolete traditions and practices (Wilke *et al.*, 2019). '*It is a poor sort of memory that only works backwards*⁷' captures the essence of why the concept of higher level capabilities has such potency within the business environment. Adaptive capabilities transpose a firm to a future state of operation (Teece *et al.*, 1997; Augier & Teece, 2009) and transcend the ordinary day-to-day operating routines (Helfat & Winter, 2011). The intent is to deconstruct what is familiar and reconfigure ordinary level resources into higher-level capabilities, thereby altering how the firm makes a living in the future (Helfat *et al.*, 2007; Augier & Teece, 2009). This reversal of managerial cognitive polarity, in effect, aligns the firm's strategic positioning to focus forwards into the future and adapt to the nascent market opportunities (Eshima & Anderson, 2016). The organisational memory of the past, which may impede further growth and entrepreneurialism, (Getz & Nilsson, 2004; Day, 2011) is redirected towards future endeavours and thus becomes forward focusing rather than backward looking.

⁷ The retort of the White Queen to Alice in Lewis Carroll's fictional 1871 book 'Through the Looking Glass, and What Alice Found There.'

Figure 3-2: Adaptive Capability Positioning



Source: Adapted from Eshima & Anderson (2016)

Adaptive capabilities enable a firm to assimilate the economic influences within the external environment, leading to the identification and maximisation of nascent business opportunities (Gibson & Birkinshaw, 2004; Biedenbach & Müller, 2012; Chrysochoidis *et al.*, 2016). Eshima & Anderson (2016) theorise that there is reciprocity between new ventures and entrepreneurial orientation, whereby embracing change is both an indicator and an outcome of entrepreneurial orientation. They assert that adaptive capability is the catalyst within the relationship, which translates such advancement into entrepreneurial tendencies. Firms that initiate measured enhancement, experience fluctuations in market conditions at reduced rates and have limited opportunities to enrich their understanding of market expectations. Thus, Eshima & Anderson (2016) theorise that a firm's adaptability is positively linked to entrepreneurial change and that this increased strategic advancement facilitates enhanced levels of adaptability. Managers play a more complex role than merely marshalling resource configurations in response to market deviations, functional mediocrity is subservient to strategic foresight and market adaptation (Augier & Teece, 2009). Anderson *et al.* (2015) posit that entrepreneurial orientation is contingent upon entrepreneurial behaviour in terms of innovativeness and proactiveness, and also on the attitude of senior managers towards risk. Firm growth fosters adaptive capabilities,

which in turn generates new market opportunities, thereby enhancing entrepreneurial tendencies, which perpetuate the cycle (Eshima & Anderson, 2016). An inability to embrace new market demands and adapt to a fluid trading environment may perpetuate path dependency and lock-in, whereby successful strategies are reinacted, to the detriment of novel engagement (Teece *et al.*, 1997; Schindehutte & Morris, 2001; Day, 2011).

Extant literature (Morrison & Teixeira, 2004; Kearney *et al.*, 2014; Evans, 2016; Eshima & Anderson, 2016) contends that an overtly competitive environment inhibits the ability of tourism micro-firms to realise economies of scale. Therefore, micro-firm OMs within the sector are susceptible to environmental shocks such as adverse trading conditions, which reduce tourism footfall and result in a restriction of household income (Phillipson *et al.*, 2004). Schindehutte & Morris (2001) theorise that firms of a smaller size are more vulnerable to changing marketplace demands, due to their tenuous financial positions and over reliance upon constricted customer bases. In deference to this, many tourism micro-firms demonstrate adaptability and resilience within the face of economic adversity (Dahles & Susilowati, 2015). Such firms have the ability to create higher level capabilities centred on speed of response, flexibility and new market penetration (Alonso-Almeida *et al.*, 2015). Arend (2014) acknowledges that entrepreneurial activity, size or the age of firms all have an influence on such entities and can generate the best returns from higher level capabilities deployment.

3.2 The OM as key strategic decision maker

A core component of strategic management is the ability of a firm to forge a distinctive stance by reconfiguring its resources in order to outpace rivals, and a key means of achieving this is through higher level capabilities (Collis, 1994; Teece *et al.*, 1997; Eisenhardt & Martin, 2000; Winter, 2003; Evans, 2016). Higher level capability engagement therefore, plays a critical role in the adaptive capacity of firms (Newey & Zahra, 2009), where such an effort *'requires significant managerial involvement'* (Arend & Bromiley, 2009: p. 76). Key decision makers play an important part in identifying strategic opportunities and they gather, interpret, analyse and act upon information funnelled into the firm (Augier & Teece, 2009). These top management structures are a prominent feature within the higher capabilities framework (Hermano & Martín-Cruz, 2016). The efficacy of these capabilities requires acute commitment

levels from managers (Ambrosini & Bowman, 2009) and more especially from those decision makers at the upper echelons of management (Zahra *et al.*, 2006; Teece, 2007). Since micro-firms are flat structures with no layers of excessive bureaucracy, then it befalls the OM to be the primary decision maker (Schaper *et al.*, 2005; Reijonen & Komppula, 2007; Campin *et al.*, 2013; Jaouen & Lasch, 2015), playing a prominent role within the framework of higher level capabilities (Neill *et al.*, 2007; Hermano & Martín-Cruz, 2016).

This centrality of the OM within micro-firms is a dominant feature of the organisational type (Kelliher & Reinl, 2009; Samujh, 2011), and one that is not as prominent within other business entities (Lowik *et al.*, 2012). The OM is also the most important human resource within the micro-firm (Schaper *et al.*, 2005; Reijonen & Komppula, 2007; Jaouen & Lasch, 2015) due to their multi-level responsibilities and ultimate accountability for the viability of the business (Gray, 2002; Thomas *et al.*, 2011; Campin *et al.*, 2013). Blackburn *et al.* (2013) challenge such notions of OM potency, by suggesting that strategy and the entrepreneurial characteristics of the owner are less important actors on performance than the age and size of the business. This view however, is not shared by Schindehutte & Morris (2001), who theorise that the external environment and the entrepreneur have more influence over adaptability than the characteristics of the company.

There is no stereotypical micro-firm OM, such is the broad range of their managerial activities (Florén, 2003; Schaper *et al.*, 2005) and the diversity of their motivations for engaging in and developing the business (Lynch, 1998; Chell & Baines, 2000; Camisón *et al.*, 2016). Whereas technical knowledge can enable an OM to initially start a business venture, it is their business skills and acumen which propel the micro-firm further along the growth curve (Gherhes *et al.*, 2016). Ateljevic (2007) asserts that the OM shapes the developmental direction of the business and that formalised management approaches in tourism are linked to their personal motivations and profiles. Campin *et al.* (2013) affirm that as the primary managerial presence within the business, OMs shoulder the burden of perpetuating a viable business entity. Carlisle *et al.* (2016) signpost the different tensions and diverse range of interests that exist within the broad tourism demographic and contend that strategic foresight is a requisite to cater to a wide spectrum of interests.

The micro-firm culture mirrors the personality of the OM (Ateljevic, 2007; Kelliher & Reinl, 2009; Gherhes *et al.*, 2016) and the professional performance of the business is intrinsically linked to personal self-worth, with adverse results being viewed as both a commercial and a private setback (O'Dwyer & Ryan, 2000). There is less formality between OMs and employees in micro-firms than within larger organisations (Matlay, 1999), and such interaction borders upon a paternal/ maternal orientated management style. Micro-firm OMs oscillate between the practical hands-on management of the business and the strategic planning challenges associated with business ownership (Greenbank, 2000; Reijonen & Komppula, 2007; Liberman-Yaconi *et al.*, 2010). As a consequence, Chell & Baines (2000) argue that such intense and close involvement within the operational confines of the business has a dampening effect upon employee involvement in areas of either resource deployment or strategic planning. The implementation of change practices amongst competing firms can yield differing results depending upon the calibre of managerial input, and it is the actions of these key decision makers that shape capability development (Jantunen *et al.*, 2012).

3.2.1 A measured approach towards strategic engagement

The emphasis in business tends to migrate towards increasing levels of sophistication, whereas for OMs the opposite holds true and they revert back to basics (Campin *et al.*, 2013). As such, many micro-firm OMs are risk averse, prioritising family security and property legacies over financial and creative growth strategies (Getz & Carlsen, 2005; Camisón *et al.*, 2016). Faherty & Stephens (2016) contend that OMs need to embrace role switching, have a generalist mind-set, and be able to tolerate disorder and to focus upon business fundamentals. Gray (1997) similarly argues that micro-firms perpetuate a culture of individualism and anti-participation. Such an individualistic method of strategic planning is not advantageous to business expansion and this results in many OMs rationalising that the perceived gains are outweighed by the potential losses (Gray, 2002). Adopting a cautious, self-limiting philosophy adversely impacts upon the capacity of the firm to increase revenue and may ultimately jeopardise its long term viability (Reijonen & Komppula, 2007).

Empirical research (Reinl & Kelliher, 2014; Faherty & Stephens, 2016; Kearney *et al.*, 2017a) creates the scenario of the OM actively negotiating key stakeholder relationships, while simultaneously planning and implementing managerial decisions and operational activities. This involvement of the OM within the business is however,

far from moderated and as both owner and worker, the OM has to contend with the pressures of excessive working hours coupled with executive decision making (Greenbank, 2000; Samujh, 2011; Faherty & Stephens, 2016). Such informal operational structure fosters a multi-disciplinary focus within the business environment, with OMs and employees having little option but to undertake numerous roles within the organisation (Ateljevic, 2007). This trimmed down structure means that micro-firm OMs have few, if any, decision making peers to help evaluate strategic actions and to interpret environmental trends (Lieberman-Yaconi *et al.*, 2010). In terms of strategic decision making, the difference between firms at opposite ends of the size spectrum is down to the availability of internal resources (Penrose, 1959; Wernerfelt, 1984; Barney, 1991). Fewer personnel within the firm results in the OM assuming the burden of extra workloads (Samujh, 2011). Lieberman-Yaconi *et al.* (2010) contend that purposefully adding new internal staff, where applicable, would help create fresh idea pathways and new networks, thus deliberately expanding the range of new information entering the business. Embryonic firms begin with an initial range of business and social connections already developed; however, the challenge within micro-firms is to deliberately cultivate organisational networks into a strategic resource (McGrath & O'Toole, 2013). Tourism micro-firms exhibit a dearth of strategic development which may be attributable to resource pressures on time and finances, an emotional attachment to the locality, or a desire to only maintain a lifestyle business (Thomas & Thomas, 2006). Where the concept of strategic change is embraced, OMs face the prospect of major disruption to familiar business activities and a reconfiguring of resources (Lieberman-Yaconi *et al.*, 2010). Marketing within micro-firms is constrained by resources, and networking and relationship building may be seen as a prudent marketing resource (McGrath & O'Toole, 2013). The OM is ultimately responsible for the strategic direction of the firm (Schaper *et al.*, 2005) and this trajectory is guided and informed by the relevant response to sensing nascent market trends (Day, 2011).

3.2.2 Micro-firm characteristics impacting upon resource reconfiguration

The rationale for researching adaptive capabilities within micro-firms is that such business entities not only saturate the tourism landscape (Holden *et al.*, 2010; Kearney *et al.*, 2014) but they also possess inimitable characteristics (Teece *et al.*, 1997; Barney, 2001) unique to their size. Micro-firms are configured and function differently than other organisations (Morrison & Teixeira, 2004; Lashley & Rowson, 2010; Massaro *et*

al., 2016), and this may be considered as either an asset in a rapidly changing marketplace or as a structural liability. Micro-firms have fewer resources and lesser economies of scale than larger firms (Welsh & White, 1981; Devins *et al.*, 2005; Baumann & Kritikos, 2016), but the simplicity of their structure may compensate for such deficiencies by being more flexible and faster at adapting to market changes (Aragón-Sánchez & Sánchez-Marín, 2005; Faherty & Stephens, 2016). For example, the denudation of bureaucracy within the micro-firm bestows upon it a structural and cognitive agility which enables it to be more nimble in altering its resource base than larger firms (McAdam & Keogh, 2004; Liberman-Yaconi *et al.*, 2010; Baumann & Kritikos, 2016; Gherhes *et al.*, 2016). Unnecessary hierarchical layers are discarded in favour of a flat management structure (Morrison & Teixeira, 2004; Yachin, 2018) with the OM epitomising centralised decision making and asserting a wide arc of control (Ateljevic, 2007; Gherhes *et al.*, 2016).

Additionally, micro-firms have a muted desire to strive for business expansion (Thomas & Thomas, 2006), and future strategic planning focuses less upon expansionary strategies and more upon business preservation and perpetuation (Greenbank, 2000; Della Corte *et al.*, 2013). Tourism micro-firms tend to operate as lifestyle businesses (Getz & Carlsen, 2005), whereby the motivation to maintain the business is drawn from the OM's aspiration to fund a desired standard of living, rather than maximising profits and building a business empire (Lashley & Rowson, 2010). Morrison & Teixeira (2004) profile micro-firm OMs within the tourism sector as gravitating towards a practical, life experience ethos with limited growth foresight, rather than striving to attain formal educational qualifications. Many of the OMs have little prior training in their chosen businesses and believe that domestic skills are readily transferrable to a commercial situation (Lashley & Rowson, 2010).

Thus, the majority of micro-firm OMs embrace an existential, rather than an expansionary mind-set, and operate the business out of such lifestyle considerations (Morrison & Teixeira, 2004; Ateljevic, 2009). They balance the pressures of maintaining business viability by adapting to new market demands against 'way of life' choices, where maximising revenue is not the primary motivator (Gray, 2002; Reijonen & Komppula, 2007). Reijonen & Komppula (2007) determine that in such instances frenetic business development is not important; rather job and customer satisfaction are more sought after, thereby deviating from traditional business metrics. Greenbank

(2000) asserts that micro-firm OMs navigate a line of best fit between the need to generate more than a subsistence level of income for the business, and the personal and social context within which it operates. Empirical research by Faherty & Stephens (2016) concluded that while all micro-firms engaged in innovative practices, it was not a systematically managed process and each were hampered by limitations on resource availability.

3.2.3 Evaluating the strategic fit of adaptive intent

Johnson & Scholes (2002: p. 5) define strategic fit as *'developing strategy by identifying opportunities in the business environment and adapting resources and competencies so as to take advantage of these.'* In a similar vein, Lynch (2009) equates strategic fit with the matching process between a firm's strategy and its structure. Hill & Brown (2007) categorise the different monikers under which strategic fit resides within extant literature and illustrate that the term may also be called strategic alignment, strategic consensus and strategic focus. Internal strategic fit occurs when there is unanimity within a firm on the importance of supporting competitive criteria leading to the best outcome for the firm (Hill & Cuthbertson, 2011). External fit is achieved when a firm focuses upon key goals and aligns its strategies, resources and capabilities to satisfy the demands of the competitive external environment (Hill & Cuthbertson, 2011). Strategic adaptive capability is defined as the capacity of a firm *'to sense and respond to environmental changes in a relatively quick and flexible way,'* and is vital to a firm's success in a transaction economy (Ma *et al.*, 2009: p. 1087). Carmeli *et al.* (2010) equate external strategic fit with the environment and the relationships that exist between the organisation and the external stakeholders, this is contrasted with internal fit which is deemed to be the relationship between intra-organisational elements. Day (2011) acknowledges that there is a widening gap between the capability of a firm and the demands of the market and that this expanding chasm is impinging upon current profitability and future competitiveness.

The strategic direction of a firm governs how its capabilities are developed (Wang & Ahmed, 2007) and as such, the objectives for decision makers are to adopt practices to stay ahead of rivals, by designing strategies to narrow the gap. Lukas *et al.* (2001: p. 409) postulate that the strategic fit paradigm asserts that *'an appropriate match between the environment and strategy has significant and positive implications for business performance.'* Strategic fit theory condenses that strategy and the environment

interact and the resulting outcome has a positive bearing upon business performance (Zajac *et al.*, 2000). Enhanced business performance is generated by aligning a firm's strategy with organisational or environmental contingencies (Zajac *et al.*, 2000) and one means of achieving this is through the deployment of a relevant, tailored organisational strategic fit. This alignment with the managerial ethos and expectations of the firm is important because it acts as a deterrent to imitation, facilitates adaption to unforeseen circumstances and is crucial to a firm's ability to embrace change (Carmeli *et al.*, 2010). Organisational dexterity is manifested in the ability to maintain alignment of current operational activities, while simultaneously adapting to fluctuating environmental demands (Gibson & Birkinshaw, 2004). There is a distinction to be made between proactively reconfiguring resources driven by an adaptive strategy and merely invoking an adaptation strategy, which facilitates blending into a niche market.

3.2.4 OM choices within adaptive capability development

The focus of adaptive capabilities is '*to align internal organisational factors with external environmental factors*' (Wang & Ahmed, 2007: p. 39). Senior tourism adaptive capabilities arise from identifying changes in market expectations, in tandem with the development of new resource combinations (Eshima & Anderson, 2016) and thus, alertness and responsiveness are important capabilities for firms within vibrant trading environments (Zaheer & Zaheer, 1997). A thorough understanding of an organisation's activities can enhance organisational adaptive capabilities, allowing for the most appropriate course of action to be taken based upon the desired change requirements (Nieves & Haller, 2014). The tourism sector has low entry and exit barriers, making for a highly competitive trading environment (Getz & Carlsen, 2005; Evans, 2016). This tumultuous atmosphere compels micro-firms to engage in decision making which often gravitates towards basic economic survival as opposed to structural expansionary practices (Morrison, 2006; Samujh, 2011). Therefore, such dexterity in terms of idea creation, customer engagement and resource allocation, allows micro-firms to negotiate change actors more readily (Lieberman-Yaconi *et al.*, 2010). In essence, decentralised decision making, a localised command structure and a softening of the professional and social boundaries between the micro-firm and its customer base, enable the OM to rapidly assimilate and process information (Devins *et al.*, 2005). Claver-Cortés *et al.* (2007: p. 729) argue that tourism firms are '*evolving in an attempt to capture new segments and thus attract new types of tourists.*' It is this adaptive

behaviour that puts pressure on OMs to continuously enhance their skill-set in response to the variability of the tourism sector (Thomas, 2012).

Firms that nurture an adaptive capability ethos, gravitate towards entrepreneurial tendencies and actively reconfigure their business ecosystems to align collaboratively with other organisations, thereby shunning the insularity of the market (Teece, 2007; Liberman-Yaconi *et al.*, 2010; McGrath & O'Toole, 2013). Alonso-Almeida *et al.* (2015) contend that managers within the service sector can improve their firm's competitive positioning by focusing on proactive, as opposed to reactive, strategies that develop higher level capabilities. Treacy & Wiersema (1993) state that higher level capabilities have their genesis in, and are reinforced through, a managerial ethos of proactive strategic actions. Those OMs that are overtly cautious and cultivate a short term focus with little strategic intent exhibit the lowest levels of adaptive capability interaction, whereas calculated risk takers that force marketplace change exude a higher degree of adaptive capability engagement (Miles *et al.*, 1978; Snow & Hambrick, 1980). The most appropriate types of such capabilities to aid a firm through difficult market conditions are those that seek new commercial opportunities and help focus on core customer processes (Alonso-Almeida *et al.*, 2015). Proactive strategies are especially suitable to the tourism sector, in allowing businesses to become more competitive, profitable and less susceptible to market fluctuations (Claver-Cortés *et al.*, 2007; Alonso-Almeida *et al.*, 2015; Carlisle *et al.*, 2016).

McKee *et al.* (1989) acknowledge the resource distribution dilemma facing managers: incur significant costs by sustaining an external focus on market conditions while maintaining the capacity to adapt to changes; or focus internally on a narrow product/market and risk the inability to react to pending market fluctuations. In essence, firms that tailor their approach to a specific niche may be unable to diversify and adapt to change, whereas a more holistic approach designed to be change ready, may not encompass any niche (Miles *et al.*, 1978; Reijonen & Komppula, 2007). Such a managerial conundrum is challenging and is encapsulated by Weick (1977) who asserts that adaptation impedes adaptability in the trade-off between an internal and external focus. Adaptive capability development is expensive and the strategic direction of the firm will dictate the level of this capability and the degree of resource deployment (McKee *et al.*, 1989). Firms that possess the ability to adapt to environmental aberrations have a higher propensity to survive long term and such longevity is less

attributable to serendipity, than it is to the individual actions of the owner/ founder (Schindehutte & Morris, 2001). Though each option has individual merit depending on circumstances, the OM faces challenges in embarking upon adaptive capability development.

Micro-firms are inclined to suffer from a paucity of resources which impede the scope of opportunities available to OMs (Morrison, 2006; Phillipson *et al.*, 2006; Faherty & Stephens, 2016). Such resources are a requisite for successfully competing within a challenging environment (Duarte Alonso *et al.*, 2016) and this resource poverty (Welsh & White, 1981; Morrison & Teixeira, 2004; Devins *et al.*, 2005; Duarte Alonso & Bressan, 2014) places expertise, time, and developmental impediments upon OMs. Micro-firm OMs are gatekeepers to these limited resources, which are valuable and costly to replace if wasted indiscriminately (McAdam & Keogh, 2004; Liberman-Yaconi *et al.*, 2010). The small business entrepreneur must balance concerns over the longevity, nature and size of the opportunity with the design of an appropriate strategy before contemplating such a venture (Schindehutte & Morris, 2001). Additionally, OMs tend to be risk averse when dealing with uncertainty. This cautionary approach is deemed to be the preferred tactic amongst managers, who wish to improve their firm's competitive position without jeopardising its future survival (Ireland *et al.*, 2003).

Table 3-2 illustrates various adaptive capability actions available to micro-firm OMs. These key decision makers are faced with deploying and balancing scarce resources in an effort to perpetuate firm viability and attain competitiveness.

Table 3-2: Adaptive Capability Actions

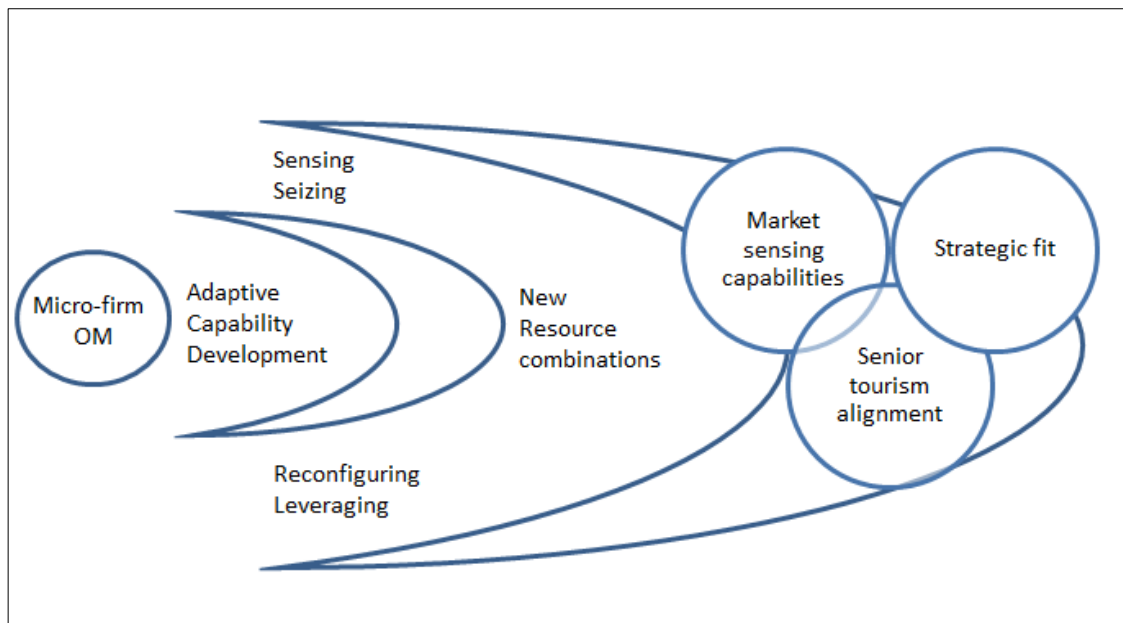
Action	Description	Literature
<p>(Sensing)</p> <p>Sense making.</p>	<ul style="list-style-type: none"> • Respond to external product and market opportunities. • Identify and benefit from nascent business opportunities. • Increase the understanding of markets and customers. • Monitor global market changes. 	<p>Chakravarthy (1982); Schindehutte & Morris (2001); Ma <i>et al.</i> (2009); Zhou & Li (2010); Day (2011); Reeves & Deimler (2011); Biedenbach & Müller (2012); Kaehler <i>et al.</i> (2014); Dahles & Susilowati (2015); Chrysochoidis <i>et al.</i> (2016); Eshima & Anderson (2016)</p>
<p>(Seizing)</p> <p>Propensity to embrace change</p>	<ul style="list-style-type: none"> • Overcome organisational inertia through entrepreneurial activity. • Embrace change and alter strategic behaviour to create a better fit between the organisation and the competitive environment. • Make appropriate adjustments to the business and its strategic focus based upon informed situational analysis. 	<p>McKee <i>et al.</i> (1989); Teece <i>et al.</i> (1997); Schindehutte & Morris (2001); Ireland <i>et al.</i> (2003); Gibson & Birkinshaw (2004); Newey & Zahra (2009); Day (2011); Reeves & Deimler (2011); Anderson <i>et al.</i> (2015); Dahles & Susilowati (2015); Eshima & Anderson (2016)</p>
<p>(Reconfiguring)</p> <p>Existing and future resource enhancement.</p>	<ul style="list-style-type: none"> • Reconfigure activities in the business unit quickly to meet changing demands in the task environment. • Mobilise network resources. • Maintain competitive advantage by adapting existing capabilities. • Improve an existing innovative product. • Foster enhanced customer experience. • Satisfy and meet changing customer preferences. 	<p>Chakravarthy (1982); McKee <i>et al.</i> (1989); Rindova & Kotha (2001); Schindehutte & Morris (2001); Gibson & Birkinshaw (2004); Lavie (2006); Day (2011); Reeves & Deimler (2011); Biedenbach & Müller (2012); Day (2014); Kaehler <i>et al.</i> (2014); Casanueva <i>et al.</i> (2015)</p>
<p>(Leveraging)</p> <p>Timely response to market signals.</p>	<ul style="list-style-type: none"> • Mobilise resources by empowering others to proactively adapt to environmental changes. • Respond to market shifts by taking appropriate strategic actions. • Adapt to environmental changes in a relatively quick and flexible way. • Redesign resources and correlate processes in response to a changing environment. 	<p>Chakravarthy (1982); McKee <i>et al.</i> (1989); Rindova & Kotha (2001); Gibson & Birkinshaw (2004); Neill <i>et al.</i> (2007); Newey & Zahra (2009); Zhou & Li (2010); Reeves & Deimler (2011); Akgün <i>et al.</i> (2012); Chrysochoidis <i>et al.</i> (2016)</p>

Source: Author

3.3 Research conceptual framework

The conceptual framework Figure 3-3, provides a thematic rendition of the main theoretical aspects within the literature and represents an illustrative appreciation of their interconnectivity. The framework weaves a research thread amongst key literary concepts and draws them together in such a manner as to guide the reader towards the eventual outcome of this study – aligning the off-peak tourism offering with the senior demographic market. In doing so, it transposes the concept of adaptive capabilities from the realm of academic intangibility and into the practice based, decision making environment of the micro-firm OM. Miles *et al.* (2014) contend that a conceptual framework seeks to explain key themes and the presumed interconnections between them. They regard such a framework as being representative of the current status of the research and acknowledge that it will evolve as the study progresses. Therefore, the framework demonstrates the existing relationship between academic concepts and will develop further once empirical research is projected through the OM lens.

Figure 3-3: Conceptual Framework



3.3.1 Harvesting strategic options

Figure 3-3 navigates the path of market-informed micro-firm OMs that have the strategic intent to realign their resource base towards the senior market, as a means of differentiating their tourism offering. The imperceptibility and uniqueness of the tourism offering within the services sector (Barreto, 2010; Nieves & Haller, 2014; Evans, 2016), runs in tandem with the market volatility within which the micro-firm OM strives to compete and differentiate their respective product offerings (Winter, 2003; Ambrosini & Bowman, 2009). The structure of the micro-firm places the OM as the guiding force within the business (Kelliher & Reindl, 2009; Samujh, 2011) and their ability to allocate and transform resources (Gray, 2002; Thomas *et al.*, 2011), positions them at the helm of adaptive capability development. Firms within the same sector do not perform at similar levels and amass different sets of resources and capabilities to create economic value (Wernerfelt, 1984; Barney, 1991). However, focusing solely upon resources as a means of attaining competitive positioning, neglects the impact that managerial intervention and environmental change has upon outperforming sectoral rivals (Priem & Butler, 2001; Sirmon *et al.*, 2007). Therefore, higher level capabilities theory gives credence to firms taking ownership of the resource transformation process by enhancing their day-to-day capabilities based upon market conditions (Teece *et al.*, 1997; Eisenhardt & Martin, 2000; Zollo & Winter, 2002). A firm that strives to embrace new trends and take the business to an altered state of operation (Helfat *et al.*, 2007; Augier & Teece, 2009) has the option to engage with adaptive capabilities.

The OMs guide the operational, as well as the managerial tasks within the firm (Greenbank, 2000; Liberman-Yaconi *et al.*, 2010) and thus, are cognisant of the requirement to maintain the viability of the business through competitive positioning (Teece *et al.*, 1997; Dixon *et al.*, 2014). Micro-firms typically eschew formalised planning systems and OMs are reluctant to squander precious resources on new ventures (Welsh & White, 1981; Getz & Carlsen, 2005; Morrison, 2006). Therefore, some OMs may shun higher level capability development and maintain the firm at operational capability level (Winter, 2003; Helfat & Winter, 2011). Adopting this ethos maintains the efficiency of the business (Augier & Teece, 2009; Reeves & Deimler, 2011) but fails to drive competitiveness through adaptive capability interaction. Firms may benefit in a stable environment from a narrow market approach which offers dependability and constancy by maintaining current strategies, but a vibrant market

requires a rethink of prevailing paradigms and a willingness to adapt (Neill *et al.*, 2007). Higher level capabilities have a propensity for generating competitive advantage within fluid trading environments, but their concept is an abstract one (Ambrosini & Bowman, 2009; Biedenbach & Müller, 2012). As such, this framework portrays the efficacy of adaptive capabilities, focusing upon a firm's '*ability to identify and capitalise on emerging market opportunities*' (Wang & Ahmed, 2007: p. 37).

3.3.2 Navigating the future direction of the firm through market sensing

Central to this choreography is the micro-firm OM, who has the ability to embark upon adaptive capability development through market sensing routines (Day, 1994; Morgan *et al.*, 2009). A key trait of management is to be able to make sense of the environment (Foley & Fahy, 2009; Eshima & Anderson, 2016; Murray *et al.*, 2016) and this sense making capability elicits an adaptive response to enhance customer outcomes (Neill *et al.*, 2007). The intangible and unique nature of the tourism sector (Camisón & Monfort-Mir, 2012) lends itself to frequent, fluid strategic adaptive actions (Wilke *et al.*, 2019). Adaptive capabilities arise from expanding the boundaries of organisational understanding (Eshima & Anderson, 2016) and this is initiated through market sensing/seizing actions. The output of the adaptive capability process is a new combination of resources (Wang & Ahmed, 2007; Eshima & Anderson, 2016), which OMs endeavour to strategically align towards the idiosyncratic demands of the market (Teece, 2012; Schilke, 2014), the subtle eccentricities of the business (Easterby-Smith *et al.*, 2009; Day, 2011) and the particular nuances of the growing senior tourism sector (Paarup Nielsen, 2006; Le Serre, 2008).

Those OMs with an entrepreneurial intent, harness market signals from the wider environment through customer, competitor and network channels (Slater & Narver, 2000; Eshima & Anderson, 2016), thereby placing new revenue streams within the strategic remit of the OM (Day, 1994; Morgan *et al.*, 2005). Overall awareness and environmental responsiveness is of greater importance than specific alterations to organisational strategy, structure or processes (Ma *et al.*, 2009). Micro-firms are at the coalface of their respective businesses and foster a shared existence within the local community (Middleton, 2001; Campin *et al.*, 2013), thereby putting them in close proximity to harvest such market demands and expectations. Aligning strategic intent with eventual firm performance is achieved through shunning a mismatch between firm capabilities and market demands (Zajac *et al.*, 2000; Lukas *et al.*, 2001). Market signals

are evaluated against the strategic ethos of the firm (Lynch, 2009; Carmeli *et al.*, 2010) before committing scarce resources to bringing the concept to fruition, by reconfiguring existing resources and leveraging their commercial benefits (Zaheer & Zaheer, 1997; Gibson & Birkinshaw, 2004; Zahra *et al.*, 2006).

3.4 Conclusion

This point in the thesis concludes the literature review and has generated an appreciation of adaptive capability development as a means of reconfiguring resources to achieve the future strategic aims of the business. The research intent is to transpose micro-firms from their current state of operation, into a new state of competitiveness. The conceptual framework aligns the core components of the research project and demonstrates the significance of the role of the OM as both the primary decision maker within the firm and the gatekeeper of firm resources. It is how these resources are re-energised and the extent to which the OM engages with market trends that will determine the level of senior tourism alignment.

Chapter 4: Methodology

4.0 Chapter introduction

The purpose of this chapter is to detail the theoretical actors and philosophical position which have formulated the research framework for this project. The primary sections of the chapter will evaluate the research rationale, aims and objectives of the study and the chosen philosophical choices. Leveraging the research question as a fulcrum point, the research design and accompanying methods will be charted. A robust research design augments the intellectual rigour of the study and ethical integrity is considered and initiated through industry best practice. Lincoln & Guba (1985) contend that such a systematic approach ensures that the data collected satisfies dependability, credibility and transferability criteria. Furthermore, cognisance will be given to the selection, pertinence and justification for choosing the research sites and the approach taken towards data management and analysis. The last section of the chapter outlines the data management approach, gives a brief overview of the data analysis software programme NVivo, and considers the challenges of data legitimisation and ethical considerations.

This research project resides within the social science realm and is characterised by the utilisation of data collection techniques focused upon individuals within their social contexts (Creswell, 1998; Patton, 2002; Bryman & Bell, 2007). Social science researchers formulate their approach to their subject by deploying explicit and implicit assumptions regarding the multiplicity of investigative methods and the nature of the social world (Burrell & Morgan, 1979; Gill & Johnson, 2002; Easterby-Smith *et al.*, 2008). Such assumptions may be categorised as human nature, epistemological, ontological and methodological conventions and the justification for the selected methodology is grounded within the researcher's philosophical stance. A subjectivist approach was deployed within this research study, gravitating towards a primarily interpretivist orientation.

4.1 Research process overview

Prior to any discussion on the philosophical nuances and procedural intricacies of methodological inquiry, it is prudent to define what is meant by research. The use of descriptive adjectives such as critical, organised, data-based and systematic, imbue the process with a sense of rigour and deliberate intent. Finn *et al.* (2000) question whether it is possible to be totally objective within tourism and leisure research, and that the type of knowledge produced and the researcher's philosophical positioning, will impact upon the process. Framing this stance, Sekaran (1992: p. 4) defines research as '*a systematic and organised effort to investigate a specific problem that needs a solution,*' one which must be undertaken in a logical, objective, critical and diligent manner. Similarly, Jankowicz (2005) also concurs with the concept of knowledge creation and contends that it is fostered through systematic investigation. Sekaran (1992) further states that the ultimate goal is to find answers to issues of concern and that research is an entire process. It is this concept of research being an entire process that resonates with this research study; transitioning from a broad notion, loosely framed within the field of extant literature, towards a refined research question and set of objectives which culminate in the collection and analysis of empirical data. There is a sense, as Finn *et al.* (2000) describe, that the process is revelatory and creative, whereby the researcher ultimately creates new knowledge that sustains the academic literature base.

The research process, as the term implies, is a logical iterative sequence of events and actions which signpost the researcher's journey from the initial theoretical foraging, to the final empirical conclusion and evaluation. The potential for research to meander beyond academic rigour is noted by Denscombe (2010: p. 3) who states that '*there is no single pathway to good research: there are always options and alternatives*' and that the researcher must be cognisant of ethical, feasibility and suitability concerns. Saunders *et al.* (1997: p. 3) concur with the vagaries of the research process and argue that '*the reality is considerably more messy.*' Similarly, Silverman (2005: p. 209) cautions against treating qualitative research as '*a soft option*' and that such a research approach '*demand[s] theoretical sophistication and methodological rigor.*' Therefore, whereas the research outcome may be undetermined prior to the final analysis of results, the research process is clearly bounded and demarcated by philosophical, practical and methodological guidelines (Sarantakos, 2005; Silverman, 2010). The vested interests of the researcher are minimised through an unbiased and objective

approach, which excludes the researcher's educational background, skills, discipline, philosophy and experience (Dey, 1993; Cooper & Schindler, 2001; Patton, 2002).

The research process framework Figure 4-1, incorporates the following elements within the process: a discussion on the formulation of the research question (purpose); the philosophical stance and theoretical framework; the research methods; the research design and data gathering techniques contained within the research framework (methodology); and ends with ethical considerations.

Figure 4-1: Research Process Overview



Extant literature on the research process (Brannick & Roche, 1997; Gill & Johnson, 2002; Sarantakos, 2005; Denzin & Lincoln, 2008) posits that it is pertinent and prudent to formulate an iterative plan of *what*, *how* and *which* actions are required, in order to satisfy the research study objectives. Although the approach is outlined in a series of iterative actions in Figure 4-1, Sekaran (1992) cautions that research is not a sequential linear process, since key areas may have to be revisited as the need arises.

4.1.1 Research question and objectives

The objective of this study, and consequently the research question, seeks to understand the senior tourism adaptive capabilities relevant to facilitating culture and heritage micro-firms extending the duration of their trading season. The research question associated with this study endeavours to encapsulate the descriptive element of qualitative research and utilises the interrogative pronoun '*how*' to reach a conclusion. The guiding research question is framed as:

How can the adaptive capability of micro-firm owner/ managers maximise the niche potential of off-peak senior tourism within the Irish culture and heritage sector?

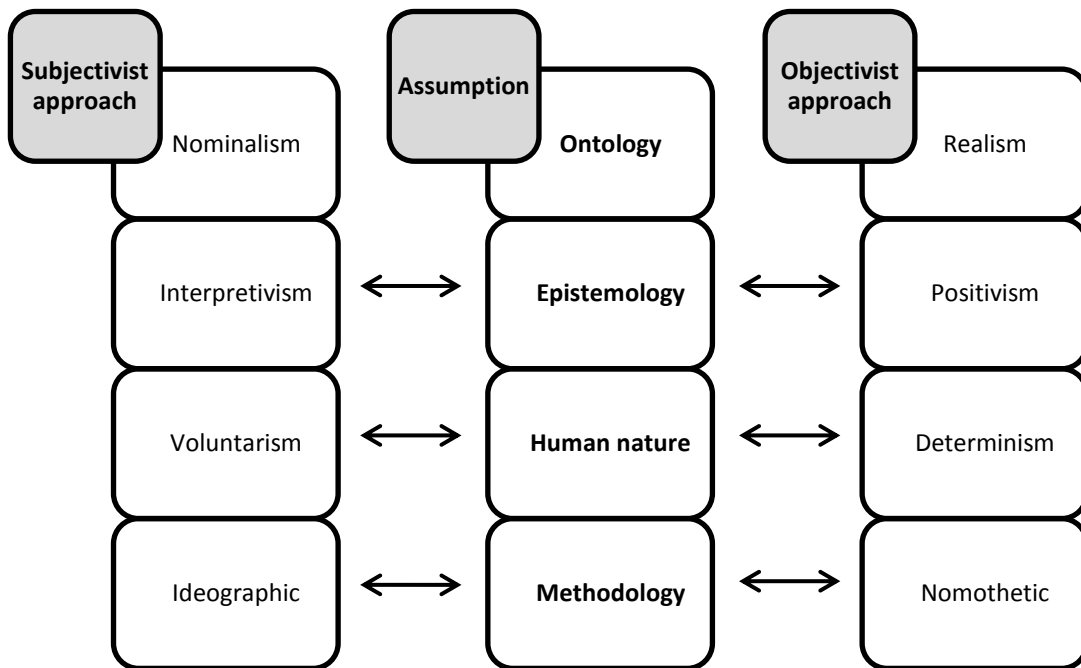
Sekaran (1992) states that research either solves an existing problem within a work setting or else it contributes to the general body of knowledge. This research question focuses upon the latter, endeavouring to expand the boundaries of extant knowledge into new territories by addressing areas of deficiency within current literature. The following primary research objectives have been guided by the above research question:

1. To explore and contextualise the presence of adaptive capabilities within culture and heritage micro-firms.
2. To understand whether the existence of adaptive capabilities enables tourism micro-firm owner/ managers to extend trading within the off-peak season.
3. To propose an adaptive capability framework within tourism micro-firms geared towards the senior tourism market.

4.1.2 Philosophical perspective

The philosophical perspective of the researcher is concerned with how the social world can be investigated and the assumptions associated with it. Researchers within the social science sphere view their research approach through inherent and overt assumptions, based upon the most effective exploratory tactics and the nature of the social world (Burrell & Morgan, 1979; Gill & Johnson, 2002). There are three main factors governing the philosophical approach employed within the research study (Easterby-Smith *et al.*, 1991). Firstly, it permits the researcher to make a more informed decision about the research design and allows the overall configuration of the research. Secondly, each philosophical stance, by their very nature, guides the researcher towards a definitive course of action. Exploring ‘*what*’ is happening, for example, rather than ‘*how*,’ will align the research towards a positivist stance, rather than the interpretivist one embraced by this study. Interpretivism adopts the philosophical stance that reality is socially constructed by individuals and given meaning by them; reality is not an objective or external concept (Easterby-Smith *et al.*, 2008). In contrast, the core concept of positivism embraces the ethos of an externally existing social world, whose properties should be measured using objective methods, rather than subjectively being inferred, using intuition or reflection (Easterby-Smith *et al.*, 2008). Lastly, each research tradition facilitates the adaptation of the research design to cater for limiting criteria, such as insufficient prior knowledge of the subject or restricted access to data. Figure 4-2 summarises these research assumptions.

Figure 4-2: Research Assumptions



Adapted from Burrell & Morgan (1979: p. 3)

Figure 4-2 illustrates the multi-positional continuum that spans the opposing subjective and objective approaches to research. Burrell & Morgan (1979) theorise that the research approach to social science is composed of two disparate perspectives pertaining to the philosophical positions on ontology, human nature, epistemology and methodology. Assumptions made at each level have particular ramifications for the suppositions undertaken at adjacent points, irrespective of the decision to polarise a standpoint towards either a subjectivist or objectivist perspective. A subjectivist approach to research maintains the belief that reality is not determined objectively, but rather it is socially construed (Morgan & Smircich, 1980; Patton, 2002). In contrast, an objectivist approach provides logical rationalisations to social exchanges which are entrenched within the tradition of positivism (Burrell & Morgan, 1979). The subjective paradigm in Figure 4-2, depicts the approach of subjective researchers as perceiving reality as an embryonic development of society, fabricated by humanity. Such a stance gravitates towards nominalism, voluntarism, interpretivism and idiographic beliefs. These researchers endeavour to comprehend the essence of the social world and investigate human consciousness in their search for the basis of social reality (Burrell & Morgan, 1979). In contrast, researchers adopting an objectivist approach believe that the social world is a rigid structure, which has order, can be measured and perceive

reality from a realism, determinism, positivism and nomothetic approach. The outcome of the current study is the development of an adaptive capability framework for maximising off-peak senior tourism in culture and heritage micro-firms. This necessitated the exploration of the ambiguous concept of dynamic capabilities, and required close collaboration with micro-firm OMs, in a bid to understand their interactions with the wider environment. It is this investigation into human consciousness and interaction within the social realm (Burrell & Morgan, 1979; Morgan & Smircich, 1980; Patton, 2002) that positions this research study on a subjectivist trajectory. The associated philosophical stances adopted within the study and the underlying assumptions are discussed within the ensuing sections.

4.1.2.1 Ontology

Morgan & Smircich (1980) posit that ontology provides social scientists with a broad typology of views on humanity and the world. Such a perspective is indicative of an individual's perceptions of physical and social reality (Bryman & Bell, 2007) and is bounded by the extremities of nominalism and realism. The former holds the view that the world is created by those within it, whereas the latter cohort believe that a more rigid reality exists, which is independent of human interference and cognitive perception (Burrell & Morgan, 1979). Nominalism presumes that the world is devoid of structure, whereas realism believes that the social world and humanity's appreciation of it are mutually exclusive (Burrell & Morgan, 1979). When viewed through a realism lens, facts are irrefutable and reality and the social realm are isolated from human intervention (Easterby-Smith *et al.*, 2008). This research addresses multifaceted theoretical aspects and complex practical applications, and as such, the most suitable ontological approach to adopt in this study, is one of nominalism. Additionally, the researcher holds an intrinsic belief that what constitutes reality stems from the extrapolation of human consciousness and perception, thus further gravitating towards a nominalist ontological position.

4.1.2.2 Human nature

Morgan & Smircich (1980) theorise that assumptions regarding human nature, the interaction between the environment and the individual, impact upon the philosophical substrate of the research and its ultimate design. There is an interplay of two opposing forces within human nature: firstly, voluntarism espouses that mankind has freewill and is unfettered within the environment (Brannick & Roche, 1997; Gill & Johnson, 2002);

secondly, determinism positions mankind as being subservient to the environment and controlled by external influences (Burrell & Morgan, 1979; Morgan & Smircich, 1980). The possibility of advocating an intermediary stance is proffered by Burrell & Morgan (1979), thereby spanning both voluntarism and determinism. Such a stance is favourable to the human nature element of this study's philosophical position. OMs react to external economic forces within the environment (determinism) but also enjoy decision-making autonomy and freedom of will (voluntarism), which ultimately also impacts upon their performance. This research study adopts an intermediary stance, facilitating the concept of internal and external loci of control.

4.1.2.3 Epistemology

Epistemology focuses upon the most relevant technique of probing into the nature of the world (Burrell & Morgan, 1979; Lincoln & Guba, 1985; Easterby-Smith *et al.*, 2008). It relates to the concept of knowledge and how it can be acquired and transmitted between individuals. It interrogates the conduit between what is, or can be known, and the recipient of such knowledge (Lincoln & Guba, 1985). An epistemological stance positions the researcher between the interpretivist assumption that knowledge has to be personally experienced by the individual, and the positivist assumption that knowledge can be independently acquired and utilises an objective means to measure it. Table 4-1 contrasts the approaches to research design from the opposing stances of positivism and interpretivism. Positivism broadly endears itself to a quantitative approach, and although adept at engaging with large volumes of data, it is deficient in handling the subtleties and nuances of social phenomena. In contrast, an interpretivist stance gravitates towards a qualitative research approach, delving into the ephemeral concepts of 'how' and 'why', but suffers from less bounded data collection and more difficult data analysis.

Table 4-1: Research Design Approach Comparison

	Positivism	Interpretivism
Advantages	<ul style="list-style-type: none"> • Economical collection of extensive data • Easily comparable data • Easier to retain control of research process • Clear theoretical focus for the beginning • Potentially fast and economical • Easier to provide justification of policies 	<ul style="list-style-type: none"> • Generates understanding of ‘how’ and ‘why’ • Adept at understanding social process • Enables reaction to real time changes within the research process • Data collection less artificial • Suitable for theory generation
Disadvantages	<ul style="list-style-type: none"> • Weak at understanding social process • The meanings attached to social phenomena may be missed • Rigid data collection methods not easily altered midstream • Inflexible and artificial • Implications for action not obvious • Poor for theory generation, process or meanings 	<ul style="list-style-type: none"> • Difficult data analysis • Time consuming data collection • Ambiguity a factor within the research data • Perceived as less credible by non-researchers • Time consuming • Interpretations and analysis are difficult • May lack credibility with policy makers

Adapted from Easterby-Smith *et al.* (2008: p. 73); Saunders *et al.* (1997: p. 74)

This research study required interaction between the researcher and that being researched, to unearth knowledge bundled within social interaction. In the same way as firms are not merely administrative units (Penrose, 1959; Barney, 1991), micro-firms are regarded by this researcher as transcending mere profit generating entities. Building trusting relationships with OMs facilitate rich data collection and required an epistemological stance which favours interpretivism. Bryman & Bell (2007) reiterate this stance by acknowledging that an interpretivist position seeks to generate an understanding of human behaviour, whereas a positivist position endeavours to generate an explanation of such behaviour. The explanatory nature of subjective accounts are given greater prominence in an effort to gain understanding from the individual stance and context of the participants, making a subjectivist/ interpretivist approach the most appropriate position (Saunders *et al.*, 1997; Jankowicz, 2005) in this study.

4.1.2.4 Research methodological stance

Easterby-Smith *et al.* (1991) contend that the realms of business and management are especially receptive to research, because managers invoke prior knowledge from others; there is a beneficial aspect from the research; and there are practical consequences to the findings. Therefore, it provides a platform for addressing managerial problems through the contextualisation and advancement of knowledge. This research study fits within this set of criteria as it focuses upon developing an adaptive capability framework which will be beneficial to micro-firm OMs in attenuating the adverse effects of the off-peak season. It endeavours to unearth the lived experiences of OMs and to provide a practical outcome to the research question. Burrell & Morgan (1979) posit that embracing a subjectivist/ interpretivist approach places the researcher in close proximity to the research subjects in a familiar environment, as in this study and facilitates the creation of qualitative data through the examination of their subjective meanings. Creswell (1998: p. 13) describes qualitative research metaphorically as '*an intricate fabric composed of minute threads, many colours, different textures, and various blends of material*' and notes that '*it is not explained easily or simply.*' It is this fusion of diverse concepts from academia (higher level capabilities), tourism (seasonality, culture and heritage), practitioner actions (market sensing) and demographic anomalies (senior tourism) that elicits a qualitative stance to uncover rich data. Creswell (1998: pp. 17-18) probes the justification for a qualitative research approach by acknowledging that the topic has depth, complexity and needs a detailed view to be explored, rather than superficially presenting a broad appreciation of the theme under investigation.

4.1.3 Pertinent aspects of qualitative research approaches

Miles *et al.* (2014: p. 4) advance the definition of qualitative data as '*a source of well-grounded, rich descriptions and explanations of human process,*' enabling researchers to transcend initial conceptions and create or amend conceptual frameworks. Mason (2002: p. 1) asserts that qualitative research also explores '*how things work in particular contexts*' and that it unearths the '*understandings, experiences and imaginings*' of research participants. Table 4-2 outlines the core attributes of a qualitative research approach.

Table 4-2: Qualitative Research Aspects

Relevant Attribute	Qualitative research
Core philosophy	Empiricism: (mankind’s knowledge is acquired from sensory experiences). Inductive: generation of theory
Approach to inquiry	Methodology is unstructured, open and flexible
Main investigative purpose	Describe variations in an issue of phenomenon
Measurement of variables	Emphasis on description of variables
Sample size	Focus on fewer cases
Focus of inquiry	Multiple issues derived from fewer respondents
Dominant research value	Authenticity, but not value free
Dominant research topic	Explores perceptions, feelings, experiences and meanings
Data collection methods	Observations, interviews, reports, documents, audio-visual material
Data analysis	Utilises responses, narratives or observation data to identify and describe themes
Dissemination of findings	Approach more descriptive and narrative in nature

Adapted from Kumar (2005: p. 18); Creswell (1998)

The research objectives seek to contextualise and understand the intangible concept of adaptive capabilities and thus, a qualitative approach enables the researcher to surface these experiences and imaginings from micro-firm OMs. When embarking on a study of this nature, Creswell (1998) states that undertaking qualitative research demands time, resources and a strong commitment to studying a problem. Such a research trajectory fosters concerns of the study being labour intensive over a protracted period, while also raising issues relating to researcher integrity, the adequacy of sampling, the resource demands of data processing, the quality and credibility of conclusions and the transferability of findings (Miles *et al.*, 2014).

In terms of methodological assumptions, the researcher may gravitate towards an ideographic or nomothetic approach. Burrell & Morgan (1979) identify several distinguishing features pertaining to each social science approach on the philosophical spectrum. An idiographic stance infers garnering first-hand knowledge of the research subject by getting close to that subject by means of an exploratory process. Burrell & Morgan (1979), further reiterate *‘the importance of letting one’s subject unfold its nature and characteristics during the process of investigation’* (p. 6). In contrast, a nomothetic approach emphasises formulating research contingent upon technique and systematic protocol, whereby the focus is on testing hypotheses, developing scientific tests and the use of quantitative methods for data analysis (Burrell & Morgan, 1979). This research study is encapsulated within an idiographic subjectivist approach as it utilises an exploratory process to gather first-hand knowledge from micro-firm OMs

and is not disposed towards testing hypotheses. A subjectivist, inductive approach unearths the procedural nuances of this concept through personal interaction between the researcher and the interviewees. The development of rich description and the exploration of the human process are more conducive to such an inductive approach, whereby theory development is centred on observations (Bryman & Bell, 2007; Easterby-Smith *et al.*, 2008) and is characterised by a subjectivist stance. Remenyi & Williams (1998) contend that such research is characterised by small sample size and is orchestrated to capture a qualitative depiction of the research phenomenon within its operational environment.

Dynamic capabilities are regarded as an intangible concept; a '*black box*' within the literature (Sirmon *et al.*, 2007: p. 273; Wang & Ahmed, 2007: p. 43; Ambrosini *et al.*, 2009: p. S22; Pavlou & El Sawy, 2011: p. 239) and a nomothetic approach would not be feasible to distil such ephemerality from within the lived experiences of tourism micro-firm OMs. This research anchors its point of reference within the micro-firm OMs and in doing so, utilises this social interaction to inform the researcher's perception of the social world. This research study eschews theory testing and aligns itself with theory generation and the exploration of the human process. Adaptive capabilities are not easily identified within a trading entity and thus, the theoretical focus and research understanding are gleaned from the data through an inductive approach (Bryman, 2004). Therefore, this study has embraced an idiographic stance.

4.2 Research methods

Denscombe (2010) asserts that it is imperative that the research methods adopted are the most appropriate means of gathering the data within the confines of the phenomenon under investigation. This research study seeks to explore the presence of adaptive capabilities within tourism micro-firms and how such an approach aligns itself towards off-peak senior tourism development. The eventual approach taken (interviews) was guided by the research question and considered the best fit (Denscombe, 2010). This enabled the researcher to access the interviewees' experiences and to gain an appreciation of their thought processes (Patton, 2002). Several research methods were considered for this study and the merits and drawbacks of each will now be outlined.

4.2.1 Action research

Bryman & Bell (2007) posit that action research is the broad collaboration between the researcher and clients, in order to diagnose a problem and develop a solution, thereby forming a strong alliance between the researcher and the research participants. Core to this ethos is the requisite to foster and configure organisational change through deliberate focused involvement (Robinson, 2002). Easterby-Smith *et al.* (2008) contend that such an approach warrants the embeddedness of the researcher within the organisation, with the view to altering key elements of the operation. Due consideration was afforded to this method but it was rejected owing to the intrusiveness of the approach and the desire not to influence or challenge OM functionality. Additionally, action research is heavily resource dependent and active participation by the researcher is contingent upon gaining access to each micro-firm OM for extended periods, which would be problematic given the intense time pressures that micro-firm OMs are subjected to, particularly during the peak tourism season.

4.2.2 Ethnographic research

Creswell (1998: p. 58) describes ethnography as '*a description and interpretation of a cultural or social group or system.*' The central assumption in ethnography is that a culture will emerge from any group of individuals acting together over a period of time, giving rise to the central question '*what is the culture of this group of people?*' (Patton, 2002: p. 67). Adopting an ethnographic approach, the researcher is immersed in a real life setting, settles into a group network and elicits first hand experiences of the behavioural traits that they encounter (Bryman, 2004; Easterby-Smith *et al.*, 2008; Silverman, 2010). It utilises prolonged participant observation, whereby the researcher conducts one-on-one interviews with group members, or is immersed within peoples' daily lives, thereby allowing language, behaviour and group interactions to be studied (Creswell, 1998; Patton, 2002). Such an approach was discounted however, due to a number of practical considerations. The limited ad hoc window of opportunity available to participate within a micro-firm environment, and the restricted availability of personnel, made such an embedded approach impractical. Many micro-firms cease trading during the off-peak period which would truncate the researcher's period of engagement with the firm.

4.2.3 Case study research

A case study is defined as primary research *'that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident'* (Yin, 2003: p. 13). Case studies are useful for gathering pertinent historical and contextual data (Silverman, 2010), allow a broad research net to be deployed (Lowik *et al.*, 2012) and widen the sphere of participation beyond OM intuition (Lieberman-Yaconi *et al.*, 2010). Case studies produce descriptive data, whereby one or more social entities are studied in detail (Zainal, 2007) and have the propensity for developing a richness of data through deep intensive research which aids understanding (Eisenhardt, 1989a; Creswell, 1998; Robinson, 2002). Yin (2003) posits that the case study research approach serves to contribute to extant knowledge of social, political, organisational, group, individual or associated phenomena and allows researchers to preserve the meaningful and holistic characteristics of real life events.

While this research question is clearly within the *'how'* domain and firmly positioned within the operational environment of micro-firm OMs, it was ultimately decided not to pursue a case approach. There was a danger that the involvement of the researcher would artificially distort the working dynamic of the case site (Denscombe, 2010), adversely impacting upon the operational, cultural and cognitive practices of the OM. Creswell (1998) observes that gaining physical access to the host firm may be challenging due to resource or external environmental pressures; many micro-firms are reluctant to share information with an outsider, thus, each access request would have to be negotiated on a case-by-case basis with respective OMs. Also, the initial request for access may be declined, either for confidentiality reasons, or perhaps over perceptions about the suitability of the researcher's credentials (Saunders *et al.*, 1997).

4.2.4 Interviews

Patton (2002) gives credence to the supposition that the perspectives of others have merit, which underlines the stability of interviews as a means of data collection. Similarly, Denscombe (2010: p. 173) states that interviews are particularly pertinent to the exploration of *'complex and subtle phenomenon,'* whereby the interviewer wishes to gain insights into the emotions, experiences and opinions of people. Saunders *et al.* (1997) contend that interviews are useful to accumulate data that is dependable, credible and pertinent to the research question and objectives, categorising them into

structured, semi-structured and unstructured occurrences. Unstructured interviews are informal and explore in-depth detail in a general area, whereby the interviewer enters the interview setting without a predetermined set of questions, preferring instead to allow preliminary issues to surface (Sekaran, 1992; Denscombe, 2010). However, Mason (2002) considers the term ‘unstructured’ to be a misnomer and argues that an interview cannot be devoid of some form of recognisable structure. Table 4-3 outlines the suitability of interviews as a research approach in terms of the research context, interviewee rapport building, the type of data to be gathered and the duration of the process.

Table 4-3: Interview Categories

Category	Basis for selection
The nature of the research approach	<ul style="list-style-type: none"> • Undertaking an exploratory study • Necessary to understand the decision making process • Wishing to probe interviewees answers and build upon their responses • Enables the collection of a rich set of data
The importance of establishing personal contact	<ul style="list-style-type: none"> • Managers favour reflecting on topics of interest without the need for a written submission • Postal requests may be rejected over fears of confidentiality • Vague questions may be clarified immediately by the interviewer • The interviewer has control over who answers the questions
The nature of the data collection questions	<ul style="list-style-type: none"> • Interviews work best for large numbers of questions to be answered • The questions are open ended or complex • The logic or order of the questions needs to be varied
The length of time required and process completeness	<ul style="list-style-type: none"> • Interviews help to control the time needed to gather the required data • Skilfully constructing the interview will offer the best chance of obtaining answers to all the questions

Adapted from Saunders *et al.* (1997: pp. 214-217)

4.2.4.1 Semi- structured interviews

The investigative nature of this research and the idiosyncratic demeanour of the topic under discussion (Saunders *et al.*, 1997) guided the researcher towards a semi-structured interview approach. The semi-structured interview enables the researcher to have a set of questions in the form of a broad interview schedule, but equally, offers the scope to alter their sequence and interject with additional questions if the situation warrants it (Bryman & Bell, 2007). Burrell & Morgan (1979) posit that the interaction, knowledge and views of interviewees are meaningful attributes of social reality and this aligns with the ontological position of the researcher. Allowing interviewees to deviate from the prescribed topic was encouraged, with the researcher having flexibility to

depart from the interview guide in an effort to seek rich and detailed answers (Bryman & Bell, 2007; Richardson & St Pierre, 2008). Semi-structured interviews were deemed best suited to engaging with key participants on subject matter that was complex and difficult to understand. Table 4-4 outlines Mason’s key assertions relating to the characteristics of semi-structured interviewing.

Table 4-4: Features of Semi-Structured Interviewing

1	Qualitative interviews encompass the interactional exchange of dialogue between individuals either through personal or electronic contact
2	There is an informal style, with face-to-face interviewing following a discussion or conversational type format as opposed to a rigid interrogatory question and answer arrangement
3	A thematic, narrative, biographical or topic-centred approach may be adopted, with the interview having a flexible and fluid structure to facilitate the development of unexpected themes
4	Most qualitative researchers contend that knowledge is situated and contextual and thus ensure that pertinent contexts are surfaced so that situated knowledge can be produced

Adapted from Mason (2002: pp. 62-63)

4.2.4.2 Telephone interviews

Sekaran (1992) posits that telephone interviews are preferable when multiple respondents are dispersed over a wide geographical area and the intended interview time is quite short. The salient points of conducting telephone interviews are portrayed in Table 4-5.

Table 4-5: Characteristics of Telephone Interviewing

Advantages	Disadvantages
<ul style="list-style-type: none"> • Quicker to administer and cheaper to carry out, especially over a wide geographical area • Easier to supervise than a personal interview • The remoteness of the interviewer removes any potential issues of bias by the interviewee 	<ul style="list-style-type: none"> • Situations where it is impractical to use a telephone or none existence, limits the sample size • There are no body language clues and interviewers cannot engage in observation techniques • Visual aids such as charts or diagrams cannot be used to facilitate questioning

Adapted from Bryman & Bell (2007: pp. 214-216)

Irrespective of the associated advantages, telephone interviews were not used within this research study despite several requests to the contrary from interviewees. The list of interview questions was quite extensive (see Appendix 2) and embraced a diverse range of elusive topics which warranted a more nuanced approach, whereby the interviewer could monitor visual clues as to how comfortable the interviewee was with the subject matter. This allowed the researcher to develop a rapport with the interviewee and harvest in-depth rich data which would be otherwise lost in a less

congenial mode of communication over the telephone. Additionally, the respondent's body language may unconsciously signal areas of discomfort or stress within the process that would be masked during a telephone interview. Another point of consideration was the recognition that many OMs were under time pressures and as such there would be a strong likelihood that the telephone conversation would be interrupted or unduly truncated, to be postponed to a different date. Therefore, it was considered prudent to politely decline telephone interview requests and to reschedule a face-to-face meeting at a mutually agreeable time and location.

4.2.4.3 Observation

Observation was not adopted as a means of data collection as the researcher was not embedded within any of the micro-firms and any time afforded to the researcher was of limited duration (Saunders *et al.*, 1997; Mason, 2002). Additionally, not all of the OMs operated from a fixed structure or had a dedicated place of work from within which the observance of business practices could occur. There were 14 of the OMs that chose to facilitate the interview in a location pertaining to their employment and within this figure, five of the interviews were conducted within the participants' homes, which negated any prospect of observing the tangible operational aspects of the business. A further seven occurred within a quiet on-site location; they were purely functional in nature and shielded from the operational aspects of the business. Two interviewees chose to remain at their craft while speaking and the engagement offered little insight into their wider operating environment. The remaining 10 interviews took place in convenient public amenities, thereby further insulating the researcher from the reality of micro-firm trading routines.

4.3 Research design

The research design warrants consideration now that the ontological, epistemological, human nature and methodological positions of the study have been selected. Understanding the relevant philosophical issues benefits the clarity of the research design, aids the recognition of its efficacy, and broadens the researcher's experience of different design types (Easterby-Smith *et al.*, 2008). Therefore, academic rigour is added to a research study through the formulation of a vigorous theoretical framework and a solid methodological design (Sekaran, 1992; Creswell, 1998; Bryman, 2004). Robust research design reduces the possibility of arriving at a tenuous research conclusion and particular emphasis is placed upon reliability (Saunders *et al.*, 1997).

Thus, the design will impact upon how the research addresses the overarching research question and the associated research objectives. The research design is the justification of all the decisions employed during the study (Saunders *et al.*, 1997), it should contain clear objectives marshalled by the research question; the intended data collection sources; and the anticipated resource constraints, such as access to location, data, finances and time.

In a similar manner, Cooper & Schindler (2001) summarise research design into several key areas: a time based activity plan focused upon the research question; a guide towards information selection and the practicalities of everyday research activity; and a framework for defining the relationships within the study's variables. Yin (2003: p. 19) states that the research design is '*the logic that links the data collected...to the initial questions of the study.*' Bryman & Bell (2007) make the distinction between a research design and research method, noting that both are often wrongly interchanged. They define a research design as '*a framework for the collection and analysis of data*' and '*reflects decisions about the priority being given to a range of dimensions of the research process*' (p. 40). Easterby-Smith *et al.* (2008) posit that the function of a research design is to not only justify the type of data to be gathered, in terms of *where* and *how*; but also the method of analysis and how the data will serve to answer the core research questions. In contrast, a research method '*is simply a technique for collecting data*' and may involve a specific instrument such as a structured interview schedule or observation (Bryman & Bell, 2007: p. 40).

4.3.1 Unit of analysis

The unit of analysis (UOA) is defined as '*the entity that forms the basis of any sample*' (Easterby-Smith *et al.*, 2008: p. 102). Miles & Huberman (1994) contend that it is a demanding process to define the unit of analysis, with Yin (2003) outlining that there are many manifestations of the term such as an incident, a crowd or an individual. This research study utilises the micro-firm OM as a pivotal point for exploring adaptive capability development within the senior tourism domain. The micro-firm OM is a key figure and primary decision maker within the business (Greenbank, 2000) and thus has a special contribution to make to the research (Denscombe, 2010). The OM is, essentially, the micro-firm (Kelliher & Reinl, 2009; Samujh, 2011; Jaouen & Lasch, 2015) and therefore for the purposes of this research study, will constitute the unit of analysis.

This research study is guided by an inductive approach and the unit of analysis concentrates upon OM interaction with adaptive capabilities in order to facilitate senior tourism engagement. Initial contact was made with the OMs via email (see Appendix 1), identified through purposive and snowball participant selection techniques. This approach was deemed the least obtrusive and allowed recipients to gauge their suitability for the study at their own pace, without feeling unduly pressurised into participating. Thus, each potential interviewee had the option, in a controlled environment, to decline from partaking in the research rather than being pressured into an immediate response via a face to face or telephone request. Once preliminary contact was made, the OM either engaged with the researcher to gain further details about the research study or else they decided not to participate. In the case of the latter scenario, the researcher thanked the OM by return email for their interaction and wished them continued success with their business.

In many cases, translating a positive response to an interview request into an actual face-to-face meeting proved problematic and involved numerous emails over several weeks to secure a mutually agreeable meeting time. This chronological choreography reiterated the resource pressures that many OMs experienced, whereby a lack of stand-in cover prevented the OMs from attending due to unexpected delivery arrivals or a change in customer booking schedules. Many OMs were engaged in operational as well as managerial duties and whereas the opportunity to talk about the business fell within the remit of managerial practice, the day-to-day running of the business took precedence over a schedulable academic interview.

4.3.2 Interviewee selection process

Miles *et al.* (2014) contend that qualitative research gravitates towards a small number of participants, which are studied extensively in context and tend to be purposely, rather than randomly, selected. Interviewees in this study were chosen on the basis of known attributes (Denscombe, 2010) and their selection was based upon the relevance to the research question, the explanatory narrative that the researcher is endeavouring to develop and the theoretical position of the researcher (Mason, 2002). Such actions satisfy a theoretical, rather than a statistical logic approach (Bryman, 2004), consistent with the philosophical underpinnings guiding this researcher. Participant micro-firms were selected based upon several guiding criteria pertinent to the research study. The research question dictated that the culture and heritage tourism realm would be the

domain within which the study would reside. This excluded firms which had no affiliation to either ethos and merely pursued a generic approach to profit generation, such as retail outlets, catering establishments, nondescript hospitality providers and manufacturing outlets.

A further requirement of the research parameters was that firms should have less than ten employees, thereby narrowing the available sample size to exclude small and medium sized enterprises. The south east region of Ireland was the catchment area for sample selection and the justification for this geographical region is detailed in section 1.7. Those firms that were not eliminated by the aforementioned screening criteria were further distilled down by endeavouring to elicit whether or not there was evidence of interaction with senior tourists. This proved challenging and time consuming as several firms that were contacted declined to participate within the research because they did not have sufficient deviation from a younger client base. For example, some outdoor adventure firms specifically targeted the 18-35 years age group and so deliberately segmented their market to cater for younger participants. Equally, several artistic and catering establishments that were contacted for interview decided not to accept the request, as they were of the opinion that they had no interaction with seniors. This researcher was not afforded the opportunity to challenge these assumptions however and while such stances would have contributed to the overall study, the voluntary nature of participation was respected. Table 4-6 contextualises the tourism firms within this research study by presenting an overview of their main tourism activity, the number of employees and the extent of their trading season.

Table 4-6: Micro-Firm Owner/ Manager Overview

Code	Employee Numbers	Main Tourism Activity	Trading Season
MF01	0	Urban guided activity provider	Trade all year
MF02	8	Urban hospitality provider	Trade all year
MF03	2	Rural/ urban leisure activity provider	Trade all year
MF04	1	Rural/ urban guided activity provider	Seasonal operation
MF05	1	Coastal guided leisure activity provider	Seasonal operation
MF06	0	Rural activity provider	Seasonal operation
MF07	4	Urban guided activity provider	Seasonal operation
MF08	4	Rural leisure activity provider	Seasonal operation
MF09	0	Urban craftsperson	Trade all year
MF10*	3	Rural leisure activity provider	Seasonal operation
MF11	4	Coastal historical site	Trade all year
MF12	2	Rural historical site	Seasonal operation
MF13	0	Rural guided activity provider	Seasonal operation
MF14	1	Rural leisure activity provider	Trade all year
MF15	7	Coastal hospitality provider	Trade all year
MF16*	8	Urban leisure activity provider	Trade all year
MF17	0	Rural guided activity provider	Seasonal operation
MF18	3	Rural guided activity provider	Trade all year
MF19	0	Urban hospitality provider	Seasonal operation
MF20	0	Rural guided natural heritage experience	Trade all year
MF21	8	Urban activity provider	Trade all year
MF22	0	Coastal hospitality provider	Trade all year
MF23	0	Rural hospitality and activity provider	Trade all year
MF24	2	Rural craftsperson	Trade all year

* Denotes manager only

4.3.2.1 Purposive participant selection

A non-probability technique that conforms to certain conditions and encompasses quota and judgement sampling (Cooper & Schindler, 2001) is applied to this study. This enables the researcher to use selective judgement to choose interviewees that are best suited to answer the research question and to satisfy the objectives. This technique begins with the researcher's clear idea of which UOAs (micro-firm OM)s are required, and engages with prospective sample units to determine if they are eligible for inclusion (Silverman, 2005; Easterby-Smith *et al.*, 2008). The researcher then discerns whether the views of specific people are worth obtaining and that they typify important and varied viewpoints (Jankowicz, 2005). This approach specifically targets sections of the population because they conform to set criteria determined by the researcher and such a technique diverges into judgement sampling and quota sampling (Sekaran, 1992). As previously mentioned, the sample units in this research study were derived from a specific set of criteria: the firms in question were sufficiently small in size so as to qualify as micro-firms; they explicitly operated within the culture and heritage tourism sector; they demonstrated an affiliation for senior tourism engagement and all were located within the south east of Ireland.

4.3.2.1.1 Snowball technique

This is frequently used where it is difficult to identify members of the desired population and such individuals are best sourced through referral networks (Cooper & Schindler, 2001). Once initial contact is made, members of the population identify other associates and thus the sample snowballs in size. This approach works well where it is difficult to determine who belongs to a population and referrals from the initial contact generate additional leads (Easterby-Smith *et al.*, 2008; Denscombe, 2010; Silverman, 2010). Snowballing was also utilised within the research study, allowing the researcher to seek out a suitable cohort of OMs to interview, by benefiting from first hand referrals and personal introductions. While the contact leads were not as extensive as anticipated, many of the firms that were suggested were either within the interview schedule or had already been contacted by the researcher. This fostered the credibility and dependability of the approach used by the researcher, thereby offering additional confirmation that the selected participants were of sufficient calibre and were active within the tourism micro-firm community.

4.3.3 Primary and secondary data

This research project utilised both primary and secondary data in the course of the study. Primary data is new data collected specifically for the purpose of the study; conversely, secondary data has been previously collected for some other purpose, processed and subsequently stored (Saunders *et al.*, 1997). Accessing documents in the public domain is a quick and efficient method of data collection, but cognisance must be given to their potency in terms of: credibility (accurate and free from bias); meaning (clear and unambiguous); representativeness (displays a typical instance of the subject matter); and authenticity (genuine and true) (Denscombe, 2010). Cooper & Schindler (2001: p. 140) advise that *'it is inefficient to discover anew, through the collection of primary data or original research, what has already been done.'* This research project utilised secondary data from academic databases (ABI Inform, Business Source Complete, Emerald Insight and Science Direct), informed scholarly textbooks, departmental websites, and publications and to a lesser extent from periodicals. Tourism development agencies and local authority offices provided a rich data trove of brochures and pamphlets from which to inform the researcher as to the localised footprint of micro-firms. Indeed, such sources of secondary data encapsulated the cultural heritage landscape within a specific region and showcased pertinent micro-

firms in a manner amenable to passing tourists. By incorporating willing participants from these guides within the research study, the researcher was able to gauge which firms were actively engaging with senior tourists and were viable trading entities.

4.3.4 External agency reports

The researcher also utilised publically accessible reports and policy documents to inform the course of this research study, Table 4-7. A deliberate strategy was adopted to ensure that the material was accessed from official reputable websites pertaining to governmental bodies, institutions and agencies. This secondary research augmented the primary research data from the interviews and enabled the researcher to contextualise and crystallise the interview data in a more meaningful manner.

Table 4-7: Agency Reports and Policy Documents

Author & Year	Document Title	Author & Year	Document Title
Department of Business Enterprise and Innovation (2019)	<i>Regional Enterprise Plan to 2020 South-East</i>	United Nations World Tourism Organisation (2015)	<i>Tourism Highlights 2015 edition</i>
Fáilte Ireland (2019)	<i>Development Guidelines for Tourism Destination Towns</i>	United Nations (2015)	<i>World Population Prospects</i>
Irish Tourism Industry Confederation (2018)	<i>Tourism- An Industry Strategy for Growth to 2025</i>	European Union (2015b)	<i>Towards an Age Friendly Europe: Covenant on Demographic Change</i>
Fáilte Ireland (2018c)	<i>Experiences Explained</i>	Tourism Ireland (2015)	<i>Situation and Outlook Analysis Report September 2015</i>
Central Statistics Office (2018)	<i>Business in Ireland 2015</i>	Department of Arts Heritage and the Gaeltacht (2015)	<i>Culture 2025</i>
United Nations (2017a)	<i>World Population Prospectus</i>	Fáilte Ireland (2015a)	<i>Visitor Attitudes Survey</i>
Tourism Ireland (2017b)	<i>Tourism Ireland Marketing Plans 2017</i>	(Fáilte Ireland, 2015b)	<i>Visitors to Tourist Attractions in Ireland 2009-2013</i>
Irish Tourism Industry Confederation (2017)	<i>Tourism and Regionality</i>	Eurostat (2015c)	<i>Summer Tourism in the EU</i>
Fáilte Ireland (2017a)	<i>Cultural Tourism. Making it Work for You</i>	European Union (2015b)	<i>Towards an Age Friendly Europe: Covenant on Demographic Change</i>
Fáilte Ireland (2017b)	<i>Hospitality and Tourism Executive Development Programme</i>	European Union (2015a)	<i>Facilitating Transnational Low Season Tourism Exchanges in Europe. Encouraging Senior Citizens to Travel</i>
Fáilte Ireland (2017e)	<i>What Makes a Great Visitor Attraction?</i>	European Commission (2015a)	<i>The 2015 Ageing Report: Economic and Budgetary Projections for the 28 EU Member States (2013-2060)</i>
Fáilte Ireland (2017d)	<i>Tourism Facts 2016</i>	Department of Transport Tourism and Sport (2015)	<i>People Place and Policy Growing Tourism to 2025</i>
European Commission (2017)	<i>Age Friendly Tourism</i>	Department of Jobs Enterprise and Innovation (2015)	<i>South East Action Plan For Jobs 2015-2017</i>
Central Statistics Office (2017)	<i>Census 2016</i>	Organisation for Economic Cooperation and Development (2014)	<i>Tourism Trends and Policies 2014</i>
Teagasc (2016)	<i>Rural Tourism</i>	European Union (2014a)	<i>Europe Best Destination for Seniors 2014</i>
Fáilte Ireland (2016g)	<i>Tourism Facts 2014</i>	European Union (2014b)	<i>What are the Needs of Foreign Senior Tourists in TOURAGE Regions?</i>

Fáilte Ireland (2016c)	<i>Domestic Tourism 2015</i>	Commission for the Economic Development of Rural Areas (2014)	<i>Energising Ireland's Rural Economy</i>
Fáilte Ireland (2016d)	<i>Regional Tourism Performance in 2015</i>	Department of Jobs Enterprise and Innovation (2013)	<i>South East Economic Development Strategy</i>
European Union (2016)	<i>Annual Report on European SMEs 2015/2016</i>	Fáilte Ireland (2012)	<i>South East Holidaymaker Study</i>
Department of Transport Tourism and Sport (2016a)	<i>A Programme for Partnership Government</i>	United Nations World Tourism Organisation (2011)	<i>Tourism Towards 2030 World Overview</i>
Department of Transport Tourism and Sport (2016b)	<i>Tourism Action Plan 2016-2018</i>	Fáilte Ireland (2011)	<i>A Tourism Toolkit for Ireland's Built Heritage</i>
Bord Iascaigh Mhara (2016)	<i>Fisheries Local Action Group: Local Development Strategy 2016</i>	Department of Business Enterprise and Innovation (2010)	<i>Management Development in Ireland</i>

4.3.5 Interview guide

When designing interview questions, Bryman & Bell (2007) advise that they should always relate back to the original research questions, as there is little to be gained from responses that fail to answer this fundamental aspect of the research study. Denscombe (2010) iterates a range of skills pertinent to good interviewing, such as being attentive within the discussion for subtle nuances; sensitive to the feelings of the informant; adept at tolerating silences and comfortable using ongoing checks and probes into deeper discussion points. Table 4-8 outlines the core considerations when designing the interview statement and initiating contact with interviewees. The researcher was cognisant of following these guidelines when preparing for primary data collection.

Table 4-8: Interview Statement

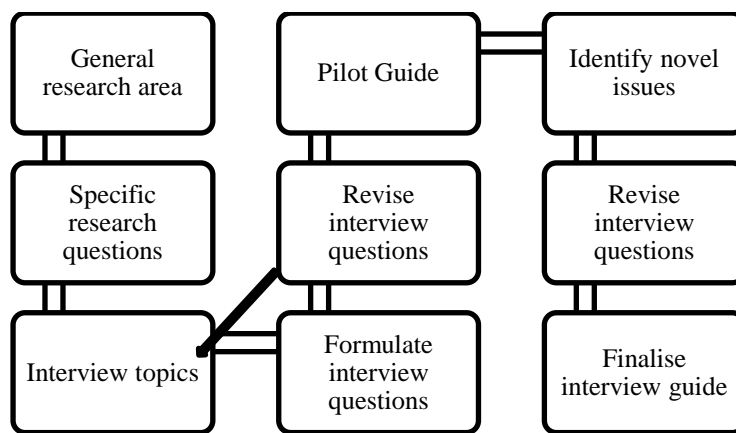
Introductory interview statement	
<ul style="list-style-type: none"> • Clearly outline the interviewer's identity and background • Identify the auspices under which the research is conducted and disclose the funder of the project • Indicate the importance and content of the research and the type of information to be collected • Indicate why the respondent has been chosen 	<ul style="list-style-type: none"> • Provide assurances about the confidentiality of disclosed information • Indicate that participation is entirely voluntary • Outline the steps to anonymise the respondent within the research project • Provide the respondent with the opportunity to seek further clarification if deemed necessary

Adapted from Bryman & Bell (2007: p. 219)

Figure 4-3 illustrates the iterative process of formulating an interview guide (Bryman & Bell, 2007). Denscombe (2010) cautions that the intricacies of interviews require adequate planning and preparation and should not be confused with the carefree nature

of conversations. The varied and unique surroundings within which the interviews were conducted belied the complexity of the interview process. The researcher was cognisant that at all times such undertakings were *'professional conversations...whose purpose is to obtain descriptions of the life world of the interviewee with respect to interpreting the meaning of the described phenomena'* (Kvale, 1996: pp. 5-6). Reinforcing this stance, Burgess (1984: p. 102) synthesises that qualitative interviews are *'conversations with a purpose'* and the researcher was conscious of this throughout the interview process.

Figure 4-3: Formulating Interview Guide Questions



Adapted from Bryman & Bell (2007: p. 485)

4.3.5.1 Pilot interviews

It was deemed prudent to utilise the initial four interviews (MF01-04) as pilot interviews and this allowed the researcher to gauge the efficacy of the questions and the ability of each interviewee to understand what was being asked. The purpose of the pilot study was for the researcher to learn from the experience, reflect upon the outcome and to undertake the necessary improvements as warranted (Mason, 2002; Patton, 2002). Subsequent changes resulted in the deletion of ambiguous vocabulary and a reduction in the overall number of questions within the interview guide. Therefore, pilot interviews served to desaturate excessive, academic or vague terminology from the interview questions, which may confuse the participants or bestow a perceived sense of intellectual superiority upon the researcher, through the use of unnecessarily complicated phraseology. This issue was highlighted by Denscombe (2010) who outlined that the bond of trust between the researcher and the interviewee was a tenuous one which could be adversely impacted upon by the chosen style of

questioning. For example, after one of the pilot interviews the phrase ‘*competitor intelligence*’ was removed from a question because the OM retorted that the term conjured up images of espionage. The pilot interviews also enabled the researcher to gauge the length of time required to complete the interview process and it became clear that there were too many questions within the initial draft. The OMs were under time pressures and exploring in excess of 30 questions was aspirational rather than achievable. In light of this experience, the number of questions within the interview guide (see Appendix 2), were restructured to a maximum of 24, which was more suited to a shorter interview session and allowed for a natural conversational flow.

4.3.5.2 Research instrument development

The process of compiling a tentative array of interview questions began in the spring of 2017 and continued throughout the summer of that year. The challenge was to connect the interview questions with the literature review in a manner that would ultimately answer the research question. The researcher was conscious of crafting interview questions that would facilitate ‘*professional conversations*’ (Kvale, 1996: p. 5) and that each of the interviewees were engaging in ‘*conversations with a purpose*’ (Burgess, 1984: p. 102).

Originally, the core themes were based upon the theoretical signposts of Table 4-9.

Table 4-9: Genesis of Interview Guide

1. Culture and heritage	9. Off-peak season
2. Tourism sector	10. Resource base
3. Senior tourism engagement	11. Operational capabilities
4. Micro-firms	12. Adaptive capabilities
5. Micro-firm OM	13. Competitive stance
6. Senior tourism perception	14. Strategic fit
7. Fiscal policies	15. Market sensing
8. Seasonality	16. Senior tourism offering

Source: Author

These thematic waypoints were harvested from within the initial conceptual framework (Figure 3-3, page 78), which succinctly encapsulated the core literary themes that were nurtured by the research question. A mind map (Appendix 7) of these key academic pillars produced associated sub-themes and this formed the basis for a preliminary set of interview questions. Cognisance was also given to the highlighted difficulty of classifying practices as higher level capabilities within qualitative research (Lawson & Samson, 2001; Jantunen *et al.*, 2012) and the questions were tailored to address this

point. Furthermore, the questions on higher level capability development were phrased to facilitate a tangible response to an intangible concept. This was achieved by following the guidelines of Grant & Verona (2015) who advocated a performance/ cognition/ action lens (page 51) and Barrales-Molina *et al.* (2014) (page 52) who provided a working checklist of the attributes of higher level capabilities.

The order of the questions were then arranged to lead with background queries about the OM and the nature of their business. This provided an opportunity to put the interviewee at ease and to establish a rapport with them by encouraging introductory dialogue. Subsequent questions were themed towards the senior tourism offering, adaptive capabilities, processes and the OM lens. The initial guide was a broad template of 60 interview questions anchored within the literature base and they were iteratively reduced down to a pre-pilot guide of 30 entries by discarding duplication, thematic irrelevancies and those enquiries that were not in unison with the research question. The revised template was further refined in accordance with the feedback from the pilot interviews as outlined on page 106. Areas of theoretical overlap were consolidated and unnecessary phraseology was removed, thereby resulting in a set of 24 final questions within the interview guide, (Appendix 2).

4.3.5.3 Interview schedule

The interviews took place over a six month period, Table 4-10, at multiple locations within the south east of Ireland and illustrated the practical impact of seasonal trading patterns within culture and heritage micro-firms. The timing of the interviews proved challenging; during the peak period many of the OMs were too busy to engage with the research study, whereas during the off-peak period there was the risk that seasonal operators would have ceased trading and be unavailable for interview. There was difficulty securing appointments with OMs during the latter end of the summer due to the intensity of the workload attributable to the peak season. For this reason, the majority of the interviews were granted during the off-peak period, when OMs had the flexibility in their schedules and sufficient downtime to facilitate an interview request.

Table 4-10: Interview Schedule

Interview Code	Date of Interview	Duration of Interview	Interview Location
MF01	28/07/2017	40 minutes	Local establishment
MF02	31/07/2017	65 minutes	OM premises
MF03	01/08/2017	60 minutes	Local establishment
MF04	08/08/2017	75 minutes	Local establishment
MF05	22/09/2017	75 minutes	Local establishment
MF06	26/09/2017	80 minutes	Local establishment
MF07	26/09/2017	90 minutes	Local establishment
MF08	28/09/2017	75 minutes	Local establishment
MF09	5/10/2017	50 minutes	OM premises
MF10	11/10/2017	65 minutes	OM premises
MF11	12/10/2017	110 minutes	OM premises
MF12	19/10/2017	65 minutes	OM premises
MF13	19/10/2017	60 minutes	OM premises
MF14	24/10/2017	60 minutes	OM premises
MF15	26/10/2017	55 minutes	OM premises
MF16	27/10/2017	50 minutes	OM premises
MF17	7/11/2017	50 minutes	Local establishment
MF18	8/11/2017	50 minutes	OM premises
MF19	9/01/2018	65 minutes	OM premises
MF20	9/01/2018	80 minutes	OM premises
MF21	19/01/2018	60 minutes	Local establishment
MF22	22/01/2018	50 minutes	Local establishment
MF23	22/01/2018	60 minutes	OM premises
MF24	08/02/2018	50 minutes	OM premises
Total Interview Time		1540 Minutes	

4.4 Reaching data trustworthiness

Bazeley (2013: p. 152) encapsulates this research conundrum by enigmatically posing the question ‘*when am I done?*’ The challenge for the researcher was to ensure that the data was both of sufficient size and diversity to encapsulate the necessary perceptions within the study, but also to control the volume of data so that it did not become too large, creating data management and irrelevancy issues (Lincoln & Guba, 1985; Easterby-Smith *et al.*, 2008). A single occurrence of an item of data (code) is all that is required for it to become part of the analysis framework, and so the data collection reaches a point of diminishing returns (Mason, 2010). Kosslyn (1978) approaches this notion through the distillation of the empirical data into common themes which yield a single elegant explanation. The intent is to maintain the trustworthiness of the data (Lincoln & Guba, 1985) so that it could be transposed into different scenarios and experiences. Continuing the process of thematic simplification will result in the creation of additional elegant theories, thereby negating the value of the research

(Kosslyn, 1978). In terms of individual interviews, Creswell (1998) contends that researchers typically conduct 20-30 interviews, collecting interview data until optimum meaning occurs, whereby no new information is amassed and the theory is fully elaborated upon. Mason (2010) posits that the mean sample size from an empirical analysis of 560 qualitative research studies was 31 and this research study sought to find a line of best fit between these recommendations.

The researcher was cognisant of the recurrence of several key themes and a duplication of experiences (Francis *et al.*, 2010) once the number of interviews started to reach double figures. However, there were many identified micro-firms within the cultural heritage landscape that could yet potentially contribute to the process and it was felt that the research was still at a superficial level. A further eight interviews were conducted encapsulating micro-firms of differing sizes and duration of trading, which added different insights into the study. At interview 18, it became apparent that hospitality providers were under-represented and efforts were made to rectify this deficiency. A further six interviews were arranged and at that stage it was noticeable that no new themes were emerging and that data crystallisation was evident (Denscombe, 2010). The researcher was conscious of balancing the advice of both Mason (2002), who cautioned against unmanageable sample sizes of indefinite duration and also Guest *et al.* (2006), who contended that theoretical saturation manifests itself in either no new codes or themes being created. Thus, it was prudent to manage the interplay of project management and research contribution and conclude the interview process at this stage.

4.4.1 Data management and analysis

Miles *et al.* (2014) state that data management is important for qualitative researchers and the main issues to contend with are ensuring that the data is accessible and of high quality; the analysis is fully documented; and that the data is retained after the study has concluded, often for a mutually agreed period based upon the negotiated terms of the research with each participant. Analysis of the data begins when the data collection has formally ended. The researcher has two sources of data to draw from in undertaking the analysis: interpretations and analytical insights that emerged during the collection of the data; and the questions that were generated during the initial design phases of the study (Dey, 1993; Miles & Huberman, 1994; Patton, 2002).

4.4.1.1 Data recording

Interviewer bias is generated when non-verbal behaviour or the comments of the interviewer create prejudice in the manner in which interviewees respond to the questions being asked of them and hence the interviewer attempts to impose their own beliefs on others (Saunders *et al.*, 1997). Recording the interview is regarded as one means of producing relevant data for analysis and as a method of minimising bias. The benefits of adopting such an approach are illustrated by Table 4-11. In the course of this research project and with prior consent, the audio content from all interviews was digitally recorded. This allowed the researcher to listen to the interviewee more astutely without having to contend with taking notes, thereby breaking eye contact and disrupting the flow of the interview. The majority of the interviewees had no prior objections to the introduction of an audio recorder and this was part of the terms of the interview consent form which was signed before each interaction. One interviewee was initially reticent of being recorded but once it was explained that the content would be kept confidential and that they had full discretion over how much information to impart, then they were satisfied to proceed.

Table 4-11: The Merits of Interview Recording

Advantages	Disadvantages
<ul style="list-style-type: none">• Allows interviewer to focus on questioning and listening• Facilitates accurate reproduction of questions for use in later interviews• Provides an unbiased record• Direct quotes can be used• Permanent record for others to access	<ul style="list-style-type: none">• Transcription is time consuming• The recording device and not the researcher may become the focus• Interviewee responses may be inhibited and thus reliability reduced• Electronic equipment may be prone to technical malfunction

Adapted from Saunders *et al.* (1997: p. 228)

4.4.1.2 Transcription process

Interview analysis began once the audio recordings had been transcribed verbatim into a word processing package. The overall audio recording of 1,540 minutes (Table 4-9) comprised of 120,000 words. The researcher was fully aware of the workload associated with this task, having utilised transcription during prior dissertations at masters and undergraduate level. Extant literature (Jankowicz, 2005; Silverman, 2005; Bryman & Bell, 2007) highlights the abundant amount of data that qualitative research produces and which the researcher must prepare for analysis. Denscombe (2010: p. 275) cautions against underestimating the amount of time required for transcription and regards it as part of the interview process, rather than a '*trivial chore*' to be undertaken

at the end. While the transcription was a slow and at times arduous process, it was a worthwhile exercise. Revisiting each interview a second time, allowed the researcher to become fully immersed in the content and to begin to synthesise relevant concepts and identify subtle nuances within the text, which went unnoticed at the time of recording. Pertinent phrases were preliminarily noted for inclusion in a future findings chapter, and nascent themes and tentative connections were mentally construed. Thus, becoming reacquainted with each interview in a controlled environment and at a forensic level facilitated an almost osmotic subconscious absorption of the material. A computer software package NVivo 11 Pro was then utilised to process the information by analysing data assigned to each category (Bryman & Bell, 2007).

4.4.1.3 Computer aided software packages

Computer software, though not essential, greatly enhances the researcher's ability to conduct qualitative research, where handwritten notes and audio recordings are '*converted into analysable text, which then needs to be condensed, displayed and used to draw and verify conclusions*' (Miles *et al.*, 2014: p. 46). Easterby-Smith *et al.* (2008) contextualise the use of software programs for analysing qualitative data and conclude that: the researcher's judgement is the dominant influence and that the computer is subservient to this; care should be taken to select the correct software package appropriate for the task; it may be easier to analyse qualitative data manually; and understanding the quality of ideas and experiences is more important than utilising the software to merely count the frequency of categories. Table 4-12 lists the multitude of tasks that computer software can execute within qualitative research. A point to note is that the software does not analyse the data, it is up to the researcher to review the coded configurations and formulate the significance of their meanings (Miles *et al.*, 2014). This human involvement is reiterated by Gibbs (2002), who states that whereas such programmes can offer the researcher a variety of techniques to examine the relationships and features within the text, the interpretation of the output is the sole preserve of the researcher.

Table 4-12: Computer Software Uses in Qualitative Research

Uses of computer software in qualitative studies
<ul style="list-style-type: none"> • Transcription: creating and transcribing field notes • Editing: correcting or revising field notes • Coding: attaching key words to text segments for subsequent retrieval • Storage: keeping text in an organised database • Search and retrieval: locating relevant text for inspection • Data linking: connecting relevant data segments to form clusters or categories • Analytic memoing: writing reflective commentaries for deeper analysis • Content analysis: counting frequencies and sequences of words • Data display: placing selected data in a condensed organised format • Conclusion drawing and verification: interpreting data to test or confirm findings • Theory building: systematically developing coherent explanations of findings • Graphic mapping: creating diagrams that depict findings • Report generation: preparing intervening and final reports

Adapted from Miles *et al.* (2014: p. 46)

4.4.1.3.1 NVivo

NVivo 11 data management software was used to analyse the copious amounts of primary data generated from the transcription documentation. This software package enabled the researcher to peel back the narrative and to extract the many views that were emerging from the unpacking of the data. It facilitated the maintenance of a robust record of searches, ideas and hunches, as well as allowing access to the data for analysis (Gibbs, 2002). Although there was no analytical benefit to be gained from using NVivo, in the sense that the software did the ‘thinking’, the package simplified the mechanics of sorting the data, grouping themes, retrieving text and visualising word frequency patterns. Interpreting and drawing inferences from the data were at all times managed by the researcher. However, the software eradicated many of the laborious, time consuming tasks which were a drain on the analysis process (Richards, 2009) such as manually creating databases to store and categorise data. Bazeley (2007) outlines the usefulness of NVivo to support the analysis of qualitative data in Table 4-13.

Table 4-13: Benefits of NVivo in Qualitative Research

Utilising NVivo in qualitative research
<ul style="list-style-type: none"> • Manage data: record and organise a multitude of records such as raw data files from interviews, focus groups, field observations or other documentary sources • Manage ideas: provide rapid access to conceptual and theoretical knowledge that has been generated, while maintaining access to the context of the data • Query data: retrieve relevant data and generate questions to interrogate such data • Graphically model: illustrate ideas, concepts or cases being built from the data and their associated relationships • Report from the data: utilise the database contents to develop ideas and knowledge and the processes by which the outcomes were arrived at

Adapted from Bazeley (2007: pp. 2-3)

4.4.1.3.2 Coding the data

Eisenhardt (1989a) states that data collection and data analysis regularly overlap during the process of theory development within a qualitative framework. As such, correlating the data from the transcripts into broad themes allowed similarities and differences to emerge and nascent concepts could be further clarified through additional contact with the interviewees. Gibbs (2002) emphasises that the analysis of qualitative data is an iterative, dynamic and recursive process which is directed by the coding system. Qualitative data which is derived from interviews, usually takes the form of large bodies of unstructured textual material (in this case transcripts) which are difficult to analyse (Bryman & Bell, 2007). Silver & Lewins (2008: p. 81) define qualitative coding as *'the process by which segments of data are identified as relating to, or being an example of, a more general idea, instance, theme or category.'* The interview transcripts were imported into NVivo and these formed the framework which would be deconstructed into pertinent themes and patterns. Silverman (2005) recommends that it would be inadvisable to begin analysing the transcripts at line one and continuing to the end; it would be more beneficial to work back and forth with specific themes in mind. This was enacted within the initial analysis by endeavouring to gain a holistic appreciation of the transcripts by reading them in their entirety prior to coding. This reliance on prose in the form of interview transcripts results in a two-pronged effect: it generates a cumbersome database in terms of data analysis; but is also an attractive reservoir of rich information, through which the researcher must navigate (Bryman & Bell, 2007).

The starting point for qualitative data analysis is the principle of coding, whereby data is deconstructed into component parts and labelled. NVivo's primary functions are to support the storing and manipulation of documents and also to support the creation and manipulation of codes, referred to as nodes (Gibbs, 2002). A node is a container that holds information and may be organised hierarchically as tree nodes (parent and child) or kept as free nodes which are without organisation (Richards, 1999). In NVivo, coding is carried out by identifying discrete passages of text that align with the same theoretical ideas and these blocks of text are then connected together to form a node (Gibbs, 2002). An initial thematic analysis guided by the theoretical parameters of the conceptual framework was conducted by the researcher (see Chapter 3, page 78). Codes act as tags, which are attached to units of analysis and the aim is to assign the

data relating to each theme to groups, thereby creating thematic categories (Richards, 1999; Bazeley, 2007). The coding process involved partitioning the data into smaller segments which would facilitate comparison and inquiry. The researcher grouped the text into categories of meaning and subsequently, homogeneous patterns evolved into similarly themed clusters of parent and child nodes. For example, Figure 4-4 is a screenshot image of senior tourist data coded at both parent and child nodes. There was broad reference made to senior tourists (parent node) within the transcripts and the subsequent sub-themes (child nodes) were grouped together guided by the literature. These child nodes were further analysed by the researcher to elicit interesting or similar concepts.

Figure 4-4: Senior Tourist Node Hierarchy

The screenshot shows the NVivo 'Nodes' window. A tree view on the left shows a hierarchy starting with 'seniors'. Under 'seniors', there are several child nodes: 'heterogeneous', 'homogeneous', 'invisible market', 'senior advantage', 'senior disadvantage', 'senior offering', 'accidental', and 'deliberate'. To the right of the tree is a table with columns for 'Name', 'Sources', and 'References'.

Name	Sources	References
seniors	7	16
heterogeneous	12	18
homogeneous	18	49
invisible market	8	14
senior advantage	22	78
senior disadvantage	19	49
senior offering	19	64
accidental	6	7
deliberate	10	14

Regularly saving the NVivo projects as separate entities each time, created an amalgamation of the nodes and a distillation of the data, which enabled the preservation of the researcher’s thought process. Such activity could serve as a logistical signpost for future researchers, to reverse engineer the major decisions undertaken by the researcher at critical junctures within the project (Gibbs, 2002). The node hierarchy used for the analysis (see Appendix 4) illustrates the parent nodes as they emerged in the final NVivo analysis of the data.

4.4.1.4 The researcher's role within qualitative inquiry

Patton (2002) contends that the researcher is the instrument in qualitative inquiry and that information should be provided as to the researcher's status within the study on personal, professional, cognitive, motivational and operational levels. Sekaran (1992) contends that conclusions drawn from the interpretation of results should be objective, based upon emergent facts, and not tainted by the emotional or subjective values of the researcher. The researcher ensures intellectual rigor by continually returning to the data *'to see if the constructs, categories, explanations, and interpretations make sense, if they really reflect the nature of the phenomena'* (Patton, 2002: p. 570). The research project was imbued with such academic rigour by giving due consideration to the concept of research legitimisation.

4.4.2 Research legitimisation

'Qualitative analysis can be evocative, illuminating, masterful - and wrong' (Miles *et al.*, 2014: p. 293); a well told story may not always be a true representation of factual data. In qualitative research, the researcher is a fundamental part of the research instrument and as an interviewer, becomes an integral part of the data collection process (Easterby-Smith *et al.*, 2008; Denscombe, 2010). Thus, all other factors being equal, could a different researcher generate the same results? A means of empowering the research with greater legitimacy is through the process of crystallisation (Denscombe, 2010). The credibility and trustworthiness of the research cannot be taken for granted and demonstrating this compliance is intrinsic within the research process (Denscombe, 2010). Likewise, the use of a software data analysis programme, in this case NVivo, does not by association, confer legitimacy upon the research.

The issue of quality is the responsibility of the researcher (Gibbs, 2002). This point is further reiterated by Denscombe (2010), who acknowledges that whereas interpretivist data is less prone to replication than quantitative data, there is a duty upon the researcher to facilitate verification of the results. Easterby-Smith *et al.* (1991) contend that legitimacy is conferred upon the research through adherence to the constructs of validity, reliability and generalisability of the data collection process. Lincoln & Guba (1985) equate such terminology with a positivistic approach, which is at variance with the interpretivist stance adopted within this research study. Therefore, the equivalent naturalistic terms applicable to interpretive research are credibility, transferability,

dependability and confirmability (Lincoln & Guba, 1985), which collectively contribute to the trustworthiness of the data.

4.4.2.1 Credibility

This research project adopts an interpretive stance to exploring the nature of senior tourism adaptive capabilities within culture and heritage micro-firms. Such an interpretivist approach necessitates a credible and true outcome that is based upon conceptual and empirical foundations (Dey, 1993). In doing so, Patton (2002) posits that the veracity of the final data is reliant upon the ability, competency and thoroughness of the researcher, who has become the research instrument. Miles *et al.* (2014) state that the credibility of the research is contingent upon whether or not the end results are a true facsimile of the subject of the study and on whether the study itself is logical and plausible. Therefore, the onus is upon the researcher to interpret the empirical data and to proffer credible interpretations to the wider community (Lincoln & Guba, 1985).

4.4.2.2 Transferability

Transferability is the degree to which the research can be transposed within other contexts (Lincoln & Guba, 1985; Shenton, 2004). Bryman & Bell (2007) highlight that qualitative research gravitates towards depth rather than breadth; a small group is intensively studied and the findings anchored in the contextual distinctiveness of that particular social world. Table 4-14 illustrates the salient methodological considerations which Miles *et al.* (2014) offer as a means of enhancing the transferability of the resulting data.

Table 4-14: Enhancing Transferability

<ul style="list-style-type: none"> • The characteristics of the original sample are adequately described to permit comparisons with other samples • The sample is theoretically diverse to be applicable in a wider context • The results are sufficiently rich in context for readers to assess their transferability 	<ul style="list-style-type: none"> • The results are consistent with readers' experiences and have been replicated in other studies • The outcomes are applicable across comparable settings • The limitations of the research are acknowledged
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Adapted from Miles *et al.* (2014: p. 314)

This research study focused upon tourism micro-firms within the cultural heritage domain and as such Shenton (2004) acknowledges that the findings will be applicable to a small number of distinctive environments and individuals. Though there will be some degree of transferability between similar sized firms within the same sector,

Shenton (2004) argues that the in-depth analytical nature of qualitative research will thoroughly describe the context of the research and enhance the transferability criteria. Researchers are encouraged to generate bountiful cultural details, facilitating the emergence of thick description (Lincoln & Guba, 1985), in order to provide others with a content rich archive from which to make judgements on the possible transferability of results to other contexts (Bryman & Bell, 2007). Lincoln & Guba (1985: p. 217) assert that the researcher '*can make no statements about transferability for his or her findings based solely on data from the studied context alone*' and that such a judgement call is for others to make, based upon the information supplied by the researcher.

4.4.2.3 Dependability

Lincoln & Guba (1985) posit that dependability is synonymous with the degree of trustworthiness afforded to the collected research data. This compels the researcher to operate in a manner that will ensure that future peers can replicate the study accurately. One means of preserving the dependability of this research project was to ensure that data records were collected and stored within a transparent manner, thereby maintaining a robust audit trail of the process (Bryman & Bell, 2007), ensuring that the processes allowed the replication of comparable results (Sekaran, 1992). Miles *et al.* (2014) advise of the necessity to encompass the research project within a set of rules and procedural guidelines that will govern the development of the project.

4.4.2.4 Confirmability

The results obtained should inform the eventual conclusions reached within the study and not be tainted by the demeanour of the researcher (Shenton, 2004). The researcher is ultimately responsible for the veracity of the research data (Gibbs, 2002), but this is more difficult in qualitative studies because of the direct involvement of the researcher who assumes the mantle of research instrument (Patton, 2002). Qualitative data, by its very nature, is tainted by personal interpretation and therefore cannot be completely free from researcher influence (Denscombe, 2010). Bryman & Bell (2007) argue that it is not possible to be totally objective in business research, but that the researcher must demonstrate that they have acted with the utmost propriety and have not permitted theoretical inclinations or personal biases to corrupt the integrity of the research findings. Miles *et al.* (2014) infer that a realisation of the fallibility of the researcher, in terms of inherent biases that may adversely influence the study, can be attenuated by outlining the methods and actions within the process. This will generate an audit trail of

the confirmability process for future researchers to examine and utilise (Lincoln & Guba, 1985). This research project engaged in confirmability through regular review sessions, both within WIT, the researcher's higher education institute (through participation in performance reviews and supervisory meetings), and the wider academic community (by contributing to conferences and preparing academic journal submissions).

4.4.3 Ethical considerations and data protection

Research ethics refer to the *'appropriateness of your behaviour in relation to the rights of those who become the subject of your work, or are affected by it'* (Saunders *et al.*, 1997: p. 109). Denscombe (2010: p. 329) accentuates this point quite forcefully by reminding prospective researchers that they do not have *'a privileged position in society'* which would permit them to pursue their own interests at the expense of others. The aphorism *'the end justifies the means'* is not a welcome credo within research and this researcher is of the belief that primary research involving willing participants is governed by trust. Jankowicz (2005) is attentive to the fact that business researchers are dealing with people, not commodities, and therefore an ethical framework is required. Ethical issues within business research transpose the researcher into a realm in which issues such as the treatment of those partaking in the research and the appropriateness of research activities come to the fore (Bryman & Bell, 2003).

Ethical considerations inhabit two broad categories: protect the interests of the research participants, and minimise bias and preserve the accuracy of the research results (Easterby-Smith *et al.*, 2008). Further issues such as not placing participants in any harm, working with informed consent, respecting the privacy of the individual and operating without deception (Diener & Crandall, 1978 : cited in Bryman and Bell, 2003) were also considered. Denscombe (2010) concurs with these core principles and contends that researchers must also comply with judicial guidelines and not engage in illegal operations. The guidelines within Table 4-15 were adhered to by the researcher and are also echoed by Waterford Institute of Technology (2017a) in their data protection policy document.

Table 4-15: Data Collection Principles

<ul style="list-style-type: none"> • Collect and process data in a fair and lawful manner • Use data only for the purposes originally intended • Collect only the required data 	<ul style="list-style-type: none"> • Store the data securely and restrict unauthorised access to it • Do not distribute the data • Preserve the anonymity of the data • Maintain the data no longer than is necessary
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Adapted from Denscombe (2010: pp. 344-345)

Table 4-16 outlines the approach of Saunders *et al.* (1997) in raising the relevant ethical issues which arise at different stages of the research process. Easterby-Smith *et al.* (2008) assert that research ethics broadly encapsulates the issues of data confidentiality, consent, privacy and concerns of injury. This researcher was mindful to maintain the integrity and confidentiality of the data and to respect participants’ requests for confidentiality and non-disclosure of certain aspects of the interview transcript.

Table 4-16: Pertinent Ethical Issues

Design and initial access stages	Data collection stages	Analysis and reporting stages
<ul style="list-style-type: none"> • Recognise potential ethical issues which will affect the proposed research • Utilise institutional guidelines to inform the research design • Pressure should not be applied to perspective participants to gain access • Privacy is important and study participation is optional • Demonstrate full transparency within the research from the beginning 	<ul style="list-style-type: none"> • Participants should not have their right to privacy endangered • Record data objectively, avoid subjective selectivity in recording methods • Remain within the aims of the research process as previously agreed upon • Respect confidentiality and anonymity issues • Overzealous questioning may create a stressful situation for participants 	<ul style="list-style-type: none"> • Avoid misrepresenting the findings by reporting all data • Remove any tenuous links between participants and collected data • Preserve confidentiality and anonymity of participants • Be aware of adverse findings which may impact negatively upon participants • The use of research data for secondary purposes may cause ethical issues

Adapted from Saunders *et al.* (1997: pp. 110-116)

Denscombe (2010) maintains that it is the researcher’s responsibility to minimise the likelihood that the ensuing results will be misleading or inaccurate. Such interpretive rigour is demarcated by Easterby-Smith *et al.* (2008) as the extent to which credible interpretations have been made based upon the results to hand. This researcher also worked within the guidelines of Waterford Institute of Technology’s ethical regulatory document for postgraduate researchers (Waterford Institute of Technology, 2017b). Prior to the commencement of the interview, the researcher outlined the nature and purpose of the study and the reason for the interview. Each participant was asked to read and sign an ethics protocol form, Appendix 3, which defined the parameters within

which the interview would take place and the purely voluntary nature of this interaction. It also outlined their rights within the process and the duty of care that the researcher had towards them and their data. Having discussed the methodological approach with the supervisory team, it was of their considered opinion that it did not warrant a presence before the formal ethics committee in WIT. Guidance was sought from the Ethics Committee Chair, School of Business, WIT and subsequent ethical clearance was confirmed via email (Appendix 6).

4.5 Conclusion

This chapter orientates the philosophical and theoretical framework inherent within this research study. Therefore, the study incorporates an interpretivist position while maintaining a subjectivist ideographic methodological standpoint. The chapter identifies the rationale for embarking upon a qualitative route of semi-structured interview data collection based upon the philosophical position of the researcher. Cognisance is given towards data management and analysis using the data management software NVivo 11 Pro and how the trustworthiness of the subsequent emergent data is maintained. The next chapter synthesises the data collected using the aforementioned research method and endeavours to showcase the emergent themes within this rich data. Thus, the upcoming findings chapter will present the experiences of the research participants as articulated through the interview questions.

Chapter 5: Findings

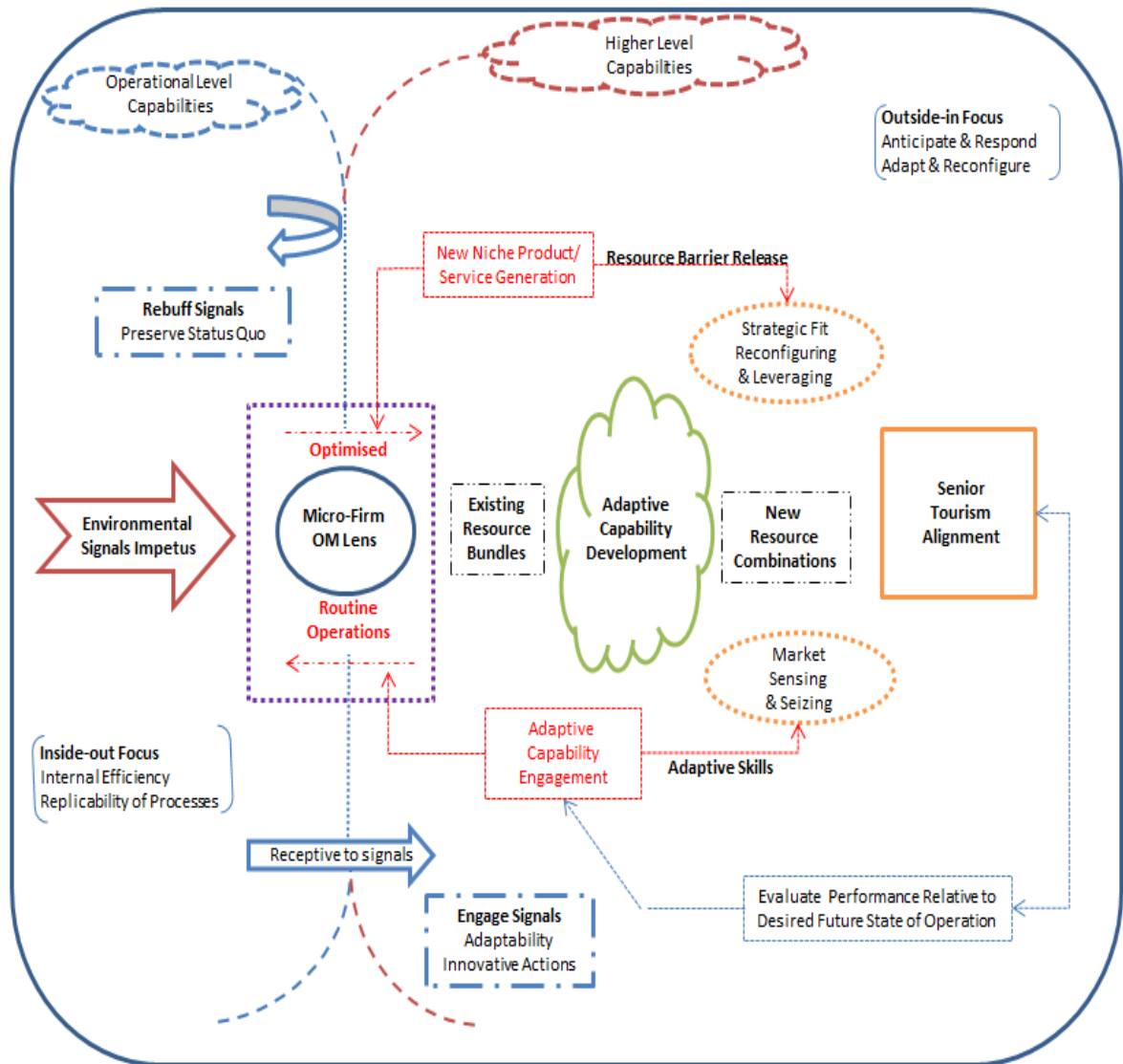
5.0 Chapter introduction

This chapter presents the results of 24 semi-structured interviews with tourism micro-firm OMs operating within the culture and heritage realm in the south east of Ireland. The findings, viewed through an OM lens, are a distillation of pertinent themes and relevant phrases, based upon a thematic analysis guided by the conceptual framework, Figure 3-3. The chapter begins by contextualising micro-firm engagement within the cultural heritage landscape and highlights the affinity of senior tourists to this domain. The challenges and opportunities posed by seasonal fluctuations in tourism numbers are outlined and the senior tourism market is brought into focus by illustrating the merits and operational pinch points of dealing with that niche cohort. The role of the OM in the advancement of adaptive capabilities follows, prior to introducing the development of market sensing capabilities. The means by which OMs reconfigure current resources to match market conditions and firm strategy is subsequently highlighted and the chapter concludes with the evolution of senior tourism alignment activities.

5.1 Illustrating key concepts within a research thematic map

Figure 5-1 depicts a distillation of the findings and a visual overview of key themes within the literature. This thematic map charts the resource deployment considerations of the OM and aids the perceptibility of intangible concepts, such as hierarchical capability levels and adaptive capability development. Although the map has its genesis within the literature review and has evolved from the conceptual framework, Figure 3-3, it is research driven and illustrates the interplay between theoretical concepts and practical empirical findings. It portrays the challenges, barriers and antecedents to senior tourism adaptive capability development, while also positioning the micro-firm OM as the primary decision maker and resource gatekeeper within the process. In the interests of academic clarity and thematic legibility, the underlying subthemes of culture, heritage and seasonality are not diagrammatically represented within the illustration. However, each theme will be positioned within the contextual realm of the thesis title and research objectives. The cultural heritage environment not only acts as a gravitational force for visitors, but also serves as a conduit through which tourism micro-firms interact with these same visitors. Concurrently, the seasonal fluctuations in tourism demand govern both the volume of visitor footfall and the intensity of micro-firm resource deployment. The cultural heritage realm and seasonality are symbiotically intertwined; the former has the potency to permeate across all calendar months and the latter offers opportunities for innovative offerings based around cultural heritage engagement.

Figure 5-1: Research Thematic Map



The visual density of the map projects a sense of the managerial and operational challenges that the OM has to contend with in maintaining the viability of the firm within a resource stretched environment. Reading from left to right, Figure 5-1 positions the OM as a trading entity straddling the realms of obligatory lower level capability development and optional higher level capability engagement. Lower level operational capabilities enable a firm to function on a daily basis and are concerned with optimising routines and promoting the efficient use of resources. The micro-firm functions as an open system, whereby in response to environmental inputs, the firm endeavours to produce market demand outputs. The OM will either rebuff or be receptive towards these signals; when receptive, they engage in innovative actions that

propel the micro-firm into an adaptive capability development cycle, honing adaptive skills in market sensing, seizing and releasing strategic resources. Therefore, an entrepreneurial OM strives to attune with environmental signals as an indicator of market demand (receptive to signals), whereas an OM that wishes to maintain the business in its current form is less receptive to nascent trends (rebuffs signals). The latter response preserves the status quo and perpetuates an inside-out focus, prioritising internal efficiency over competitive positioning.

An OM that wishes to adapt their tourism offering towards the senior market facilitates an outside-in focus by anticipating and responding to nascent trends. This market probing (sensing) elicits an appraisal of the necessary skills and resources to take the firm from its current operating position and navigate it towards a desired future state of operation. Such engagement (seizing) sets in motion the release of resource barriers by ensuring that the adopted course of action is congruent with the strategic ethos of the firm. The resultant capacity helps leverage existing resource bundles combined with new resource combinations in pursuit of niche product and service generation aligned to the senior tourism market. Adaptive capabilities are developed that transform existing resources into new combinations (reconfiguring), geared towards utilising these resources in a new domain (leveraging). Senior tourism alignment is achieved through the transformation of current resources in response to market demands, thereby creating a new tourism offering with an enhanced skillset.

5.2 Core themes arising from the findings

While the thematic map presents an overview of the findings in their totality, a better appreciation of the empirical research is garnered by an individual appraisal of the key areas within the study. To facilitate this, the findings are divided into seven key themes as outlined in Table 5-1.

Table 5-1: Themes Emerging from Study Findings

5.2.1: Micro-Firm Culture and Heritage Engagement with the Senior Market in Ireland's South East
5.2.2: Challenges and Opportunities Posed by Seasonal Demand Fluctuations
5.2.3: The Off-Season Senior Tourism Market
5.2.4: Transitioning to Adaptive Capability Development
5.2.5: Development of Market Sensing Capabilities
5.2.6: Micro-Firm Resource Reconfiguration
5.2.7: Evolution of Senior Tourism Alignment Activities

Each section represents the rich empirical data that surfaced during the data analysis and will be guide the reader towards a holistic understanding of the relevant themes attributable to this research study.

5.2.1 Micro-Firm Cultural Heritage Engagement with Senior Market

5.2.1.1 Culture and heritage as a key senior tourism resource

There was unanimity of praise amongst the OMs for the allure of the Irish culture and heritage landscape to attract visitors. Whereas adverse trading conditions, excessive governmental bureaucracy or an overtly competitive sector drew a strong negative response from many of the OMs, they all recognised the value of this economic asset at their disposal. However, many were keen to stress that visitors no longer wanted to see a stage-managed version of Ireland but rather wished to engage in authentic experiences. For example, MF12 (rural historical site) offered visitors an insight into rural family life which was refreshingly open and honest: *'We are often told it is the highlight of their trip. It is just the simplicity of meeting, not just us, it could be any family.'* MF03 (rural/ urban leisure activity provider) also contended that it was the authenticity of the offering that attracted visitors, a unique experience that could connect with them on an emotional level: *'They want the real Ireland, not the make-up Ireland. They love meeting the local people...'* MF01 (urban guided activity provider) was equally of the opinion that the beauty of the landscape and the authenticity of the people were traits that would entice others to visit through word of mouth: *'For every tourist that goes home on that bus tour from me tonight, I bet you that there will probably be two come back within the next five years. They'll sell it.'*

Interviewees highlighted that the culture and heritage sector is particularly appealing to mature travellers, (over 55 years). For example, MF12 (rural historical site) stated: *'They have knowledge, they know about Ireland, they have a passion for Ireland.'* Similarly, MF15 (coastal hospitality provider) opinionated about the older traveller: *'They are more into the outdoors. They don't mind wrapping up and going out and being in the wind and the rain and having a good old walk.'* MF20 (rural guided natural heritage experience) made the connection between the older tourist with time to travel and the desire to explore the country: *'A lot of the big exclusive American tours are over 55's, because they are people who after going through their life and then they have to see Ireland.'* The affinity of older people for the cultural heritage landscape is reaffirmed by MF23 (rural hospitality and activity provider): *'Younger people wouldn't really want to be in the*

country. *My clients would be older.*' This observation was also shared, for example, by MF01, 03, 06, 07, 12, 15.

5.2.1.2 The need for adaptive action

There was recognition that tourism hotspots were competing strongly with the south east for visitor footfall and key locations were frequently referenced as diverting tourists away from the region. For instance, MF02, MF08 and MF17 regarded the west of Ireland and in particular the Wild Atlantic Way⁸, as being especially popular destinations with tourists: *'Most visitors are coming Wicklow, Dublin, Kerry, Galway; the West is the best, all heading there. The Wild Atlantic Way, that is where they want to go,'* MF17 (rural guided activity provider). There was a strong perception that the region *'relies very heavily on the Irish market, the domestic market, more so than other areas of the country. It also gets less tourists, less overseas tourists than the rest of the country'* (MF02 urban hospitality provider). In light of this competitive landscape, south east tourism providers recognised the need for innovative approaches to tourism service provision. MF19 (urban hospitality provider) acknowledged the allure of other regions and noted the challenge therein: *'It is to get them to stay in the area, that is the biggest problem...You might keep them for two nights, but that is about all around here.'* The core findings from this theme are illustrated in Table 5-2 for ease of reference.

Table 5-2: Cultural Heritage Tourism Opportunities and Challenges

Tourism Experience Opportunities	Business Development Challenges
<ul style="list-style-type: none"> • Visitors seek authentic engagement as opposed to a charade of cultural stereotypes 	<ul style="list-style-type: none"> • Traditional tourism hotspots dominate the visitors' itinerary to the detriment of the south east region
<ul style="list-style-type: none"> • Visitors are more discerning and shun superficiality and staged attractions in favour of the 'real' Ireland 	<ul style="list-style-type: none"> • The south east appears to attract lower levels of cultural tourism footfall compared to other regions
<ul style="list-style-type: none"> • Personal engagement seen as a key outcome of the tourism experience 	<ul style="list-style-type: none"> • Adapting the tourism offering to cater for evolving stakeholder expectations

⁸ The worlds longest defined coastal touring route (2,500km) stretching from Malin Head in Northern Ireland and encompassing the entire west coast of Ireland before terminating at Mizen Head in the south of the country.

5.2.2 Challenges and Opportunities of Seasonal Demand Fluctuations

5.2.2.1 Human resource challenges of seasonality

Seasonal variations in visitor numbers adversely impacted upon all the interviewees irrespective of the nature of their tourism offering. MF11 (coastal historical site) provided a candid appraisal of the financial reality facing tourism micro-firms and encapsulated the challenges of negotiating the seasonal hurdles within the sector: *'We do business twelve months of the year, we do profitable business twelve weeks of the year.'* This sentiment was echoed by MF15 (coastal hospitality provider) who encapsulated the financial hardships associated with the segmentation of the trading year: *'It is in summer time very, very busy. And in winter time it is very, very quiet. So hence it is extremely challenging to try and balance the whole thing.'*

Although somewhat counterintuitive, there was a sense of relief amongst the OMs when the frenetic trading conditions of the peak period subsided. MF12 (rural historical site) acknowledged this by stating: *'You would be tired of it at this stage'* and MF09 (urban craftsperson) saw the off-season as an opportunity to wind down: *'When it got to the end of the season I was generally quite happy.'* MF12 (rural historical site) illustrated the difficulty of merely servicing the business needs during the peak period which precluded any involvement in strategic thinking: *'The minute the season is finished, there are plenty of months in between, that is when you do all your planning.'* These findings suggest that not all OMs wished to trade for the entire year and many were content to engage with peak season demand only: *'Our off season does stretch to the end of October and it does start in March, so if we get eight months out of the year, we are doing very well,'* MF04 (rural/ urban guided activity provider). Others acknowledged that the tourism business was not a viable all-year round entity, despite their own preference: *'I would like to be doing this for 12 months of the year, but that is not a reality,'* MF13 (rural guided activity provider).

Those that remained trading during the off-peak period (October to March) tailored their tourism offerings in response to reduced demand levels, which gave rise to an unequal distribution of resources and revenue generation: *'January, February and the first half of March would be very quiet, as would some of December,'* MF07 (urban guided activity provider). These extremities of operational efficiency created challenging

working environments for the OMs and any associated staff. Human resources were inclined to be over-utilised during the hectic high season: *'In the summer it is tough going, because you are very busy and you will be going every day,'* MF20 (rural guided natural heritage experience), when it was not viable to hire and train extra staff because the peak season was not of sufficient duration: *'Generally it is fairly short time that you are very busy,'* MF08 (rural leisure activity provider).

Conversely, a reduction in off-season revenue negatively impacted upon staffing levels and those that remained had to be proficient at multi-tasking to maintain the viability of the business. For example, MF24 (rural craftsperson) reduced off-season workforce numbers and utilised unpaid family help to keep the business operating during the quieter trading season: *'We have a skeleton staff here and everybody has two or three jobs around the place. It means that everybody is always busy.'* MF08 (rural leisure activity provider) also acknowledged the amount of unpaid work that family members do to reduce unaffordable wages costs: *'My wife and son did phenomenal amounts of work, really nutcase amounts of work, you can't get other people to do it.'* Paradoxically, OMs could find themselves equally busy on the day to day management of the business during the low season, due to the fact that there was less staff to help. This had an impact on their overall wellbeing as indicated by MF15 (coastal hospitality provider): *'It is a challenge because you end up working more yourself during the winter to try and cut costs, even though you are after slogging your guts out'⁹ all summer.'*

5.2.2.2 Adapting to decreased off-peak trade

A further consequence of reduced visitor numbers during the off-peak period was that revenue was adversely impacted upon. Not being in a position to spread fixed trading costs over a 12 month period with regular monthly income was seen as a challenging issue for many OMs: *'It knocks down takings for the year round...it makes it harder, definitely it does,'* MF07 (urban guided activity provider). The same sense of financial pressure was felt by MF17 (rural guided activity provider) who could not generate sufficient income from the business to trade all year round: *'It is hard. As one man, I have limited finances, limited money to try and keep it going.'* Several of the OMs took deliberate measures to reduce their overheads as a result. MF21 (urban activity provider) could not justify opening seven days a week during the winter: *'We are thinking of...closing in*

⁹ Colloquialism for working hard.

December and January, especially during the week and opening for the holidays. These are our down months.’ MF19 (urban hospitality provider) also stressed that the off-season climatic conditions were a deterrent to profitable trading and consequently was unwilling to run the business in a loss making situation: *‘I didn’t do [activity] for the winter because it just didn’t suit me. My room is too big to heat, too expensive.’*

Those micro-firms that remained open all year (for example MF01, 02, 21, 24) had a number of options to maintain off-peak viability. One was to draw on financial reserves built up during the lucrative peak period. MF18 (rural guided activity provider) was resigned to the fact that the business would incur losses as a result of off-peak trading: *‘November, December, January and February I will probably start losing money.’* MF08 (rural leisure activity provider) also believed that the low season would not be profitable enough to service a future debt burden and so it would be necessary to extend the extremities of the trading season: *‘If we owe money we are going to have to go into October and going to have to start in probably March.’* In other cases, the off-peak season was seen as an opportunity to expand into other revenue streams: *‘How do we diversify when the tourists were not here in the winter, what do we do?’* MF21 (urban activity provider). Such coping techniques were evident amongst the OMs to lessen the financial and human resource impact of fluctuating visitor footfall.

5.2.2.3 Positive aspects of seasonality

Those OMs that were proficient at adapting, for example MF02, 03, 09, 24, could negate the severity of the off-peak season in terms of lost revenue and trade through this challenging period. These strategies ranged from actively diversifying the business model to accommodate multiple revenue sources and market segments, to pragmatically cutting losses and downsizing or ceasing trading altogether for a specified period. MF01 (urban guided activity provider) augmented the off-peak season with third party group bookings which would offset the fall in revenue from the loss of individual clients. A similar diversification strategy was employed by MF02 (urban hospitality provider) who organised themed events to generate off-peak footfall through the establishment. MF21 (urban activity provider) alleviated the impact of peak trade reduction by generating multiple revenue streams through astutely targeting different demographic segments and interest types. MF21 (urban activity provider) demonstrated an element of strategic planning in terms of securing a steady revenue stream and ensuring that staff resources were adequately deployed: *‘We still have tour groups that come*

through all year round...through all of 2018. That enables the guides to work throughout the year.' These additional revenue sources manifested themselves in the form of a second income, resulting in the OM accepting additional paid employment outside of the tourism sector.

5.2.2.4 A period for rejuvenation

The advent of a predictable, if not enforced, period of downtime allowed many OMs to enjoy some time for reflection. Rather than lament the detrimental effects that seasonality had on the business, many OMs were happy to have time to recuperate from a hectic summer season. MF08 (rural leisure activity provider) demonstrated the human pressures of working a busy season and actively embraced a period of enforced downtime: *'Come September I was happy enough to hang up the ropes.'* MF12 (rural historical site) opened the family home to visitors and was grateful for the normality of family life during the winter period: *'If you could get say a month of just downtime and just be that family again.'* MF19 (urban hospitality provider) was also pleased to take advantage of the off-peak season to regain a sense of uninterrupted family life: *'I don't really want people in the house then because it is still my home. I wouldn't want people around at Christmas time.'* MF05 (coastal guided leisure activity provider) was appreciative of the increased footfall but felt constrained by the responsibility to the business and had to forgo time off until the quieter period: *'It is a time that I like to think let's have my holiday now. I can't really book much in the summer.'* MF07 (urban guided activity provider) enjoyed the regularity of the seasons which allowed for the business to be closed for a period of time: *'Particularly if the weather is bad.'*

5.2.2.5 A time for creative planning

As well as a time for physical rejuvenation, the off-peak season was regarded as an opportune time to target new markets and to plan for the following year. Many of the interviewees indicated their commitment to periods of strategic and creative planning. The exceptions to this were MF05 (coastal guided leisure activity provider), MF19 (urban accommodation provider), and MF22 (coastal hospitality provider), who exhibited a less adaptive culture. At this stage of their working lives they were content with their current tourism offerings, saw little need in adapting to emerging market opportunities and did not want to target new revenue streams. In contrast, MF09 (urban craftsperson) turned the off-peak period into an opportunity to regenerate the product offering and create new designs: *'I have so many ideas I just can't wait for January and February*

so I can start on the new ideas.' Micro-firms such as MF02, 03, 09, 24 traded all year and utilised this enforced lull in demand to proactively devise innovative adjustments to their current offering. MF01 (urban guided activity provider) and MF03 (rural/ urban leisure activity provider) physically removed themselves from the working environment and engaged in away-days to develop future strategy. In contrast, seasonal firms such as MF04, 05, 06, 08, 12, 13, 17, were more benign in their engagement with the off-peak period and opted to forego the creative opportunity offered. Others such as MF07, 13, 17 reflected on the current business model and how they could adapt their resources to encompass new offerings.

MF03 (rural/ urban leisure activity provider) acknowledged that the off-peak season was: *'A very quiet period'* and utilised the opportunity to engage in overseas marketing. When asked about an approach to strategic planning, MF18 (rural guided activity provider) replied that it was not a consideration until trade quietened down: *'I have the winter to think about it and that is being honest.'* MF09 (urban craftsperson) used the winter period to design new products and did not regard it as an unproductive time: *'The quiet periods is down time. I get a chance to do my own ideas, create different things, I don't mind it.'* As well as a time for forward planning and new business development, the low season was also regarded by MF10 (rural leisure activity provider) as a prime opportunity to catch up on housekeeping issues and audit the operational efficiency of the business: *'January is a good time for us to get through all this [operational details].'*

5.2.2.6 Harnessing the regularity of seasonality

MF23 (rural hospitality and activity provider) saw the positive side of seasonality with the prospect of enhanced visitor numbers during the peak season which would sustain the business during the off-peak months: *'Once you would be busy in the peak that is the main thing. If I hadn't bookings now for July or August I would be worried.'* MF01 (urban guided activity provider) was able to allocate time for additional tours which would not be available out of season. It also allowed for a sense of financial security with the prospect of a guaranteed income stream: *'The individual business is there from the 15th of March to the 15th of October. It is not there for the winter.'* There was a sense of comfort felt by several of the OMs in knowing that their busy trading period would occupy a familiar time frame. MF10 (rural leisure activity provider) was able to demarcate the bulk of their trading season: *'The main part of our business is the season from 1st of April to 30th of September.'* Similarly, MF08 (rural leisure activity provider) was able to

map out the duration of their season every year: *‘Once we got going we tried to start at Easter and keep going until the end of September.’*

It was important for each OM to have some degree of certainty over when their main source of revenue was likely to be available. MF11 (coastal historical site) had a pragmatic approach to seasonal trading and maximised the opportunities available at any given timeframe: *‘Fish where the fish are, and fish when the fish are there.’* Having a predictable influx of visitors during the high season allowed MF24 (rural craftsman) to roster staff numbers with some degree of certainty and regularity: *‘In the summer it is easier to justify having people around because there are customers around.’* The regularity of seasonal demand fluctuations facilitated OMs to regularise income generation within a defined period, balance staffing levels to expected tourism demand and anticipate reduced footfall levels within the off-peak period.

In summary, the ramifications of unequal tourism demand are outlined in Table 5-3.

Table 5-3: Seasonal Demand Impact on Micro-Tourism Operations

Adverse Impact	Positive Impact
<ul style="list-style-type: none"> • OMs forced to diversify into multiple revenue streams to augment off-season income loss 	<ul style="list-style-type: none"> • Peak season revenue subsidises off-peak trading
<ul style="list-style-type: none"> • Unpaid family members help maintain the viability of the business by reducing labour costs during periods of low demand 	<ul style="list-style-type: none"> • The off-peak season is a time for creative engagement and new service/ product development
<ul style="list-style-type: none"> • Operational pressures during the peak season negatively impact the quality of family life 	<ul style="list-style-type: none"> • OMs can afford additional workers during the busy periods, thus reducing their own workload
<ul style="list-style-type: none"> • The haphazard nature of staff retention and training was problematic for service continuity 	<ul style="list-style-type: none"> • Internal operations are restructured during periods of downtime
<ul style="list-style-type: none"> • A truncated trading season impedes the OM’s ability to regularise cash flow 	<ul style="list-style-type: none"> • Quiet trading periods facilitate regularised family activities and personal rejuvenation

5.2.3 The Off-Season Senior Tourism Market

5.2.3.1 Overcoming a stereotypical image of senior tourists

The senior tourism market was present within the customer base of all of the micro-firms to varying degrees of awareness and inclusivity, thereby generating polarising attitudes amongst the interviews. The older tourist was regarded as either an irrelevant impediment to the efficient running of the business, or as a welcome additional revenue stream that warranted further engagement. The spectrum of senior tourism perceptions and the associated challenges and opportunities posed by this demographic group are outlined within the ensuing sections. Discussing the importance of senior tourists to the micro-businesses, the benefits and drawbacks of that demographic segment and how each OM engaged with them, produced a range of responses. Whereas there appeared to be unanimity amongst the OMs as regards grouping all those over 55 years into a 'senior' category, there was a deviation from this in terms of specific demographics such as nationality and social class, as discussed within subsequent sections.

There was the assumption that senior tourists were in the upper echelons of the age bracket and thus would automatically suffer from some degree of physical infirmity. For example, MF20 (rural guided natural heritage experience) equated the term senior with being less physically able: *'If they are over 55 we usually go for a walk up the woods but we won't today, we are going to do something different [less strenuous].'* MF06 (rural activity provider) went against this stereotypical belief and recognised that: *'Some of the over 55s are more physically capable than others and some want to get more exercise in.'* This sentiment acknowledged that not all of those in the over 55 market were perceived to suffer from infirmities and that they should be treated no differently than their younger counterparts. MF22 (coastal hospitality provider) also shared the view that those seniors that were capable of travelling were as a consequence, active and mobile: *'A lot of our custom would be foreign so they are already travelling so they are well able bodied.'*

The prospect of dealing with an older group meant that several of the interviewees would be cautious about not engaging them in strenuous activities. MF06 (rural activity provider) evaluated each interaction beforehand and carried out a risk assessment: *'Given again the nature of the age and possible physical elements to it you have to think a little bit more about it.'* MF05 (coastal guided leisure activity provider) was of a similar disposition and would curtail certain unsuitable activities: *'Some of them will be quite unable, inactive and injured and some...won't make the grade.'* A comparable position was adopted by MF01 (urban guided activity provider): *'It depends from individual to individual. So, some of the older ones tend to have mobility issues for instance, so they can't do a walking tour.'* Lack of agility also meant that those businesses that could not provide the appropriate facilities would, in some instances, have to forgo the custom of certain senior tourists. This was the experience of MF19 (urban hospitality provider): *'I have no rooms downstairs, the older people; some of them want a room downstairs.'*

5.2.3.2 A generic tourism offering

Irrespective of the nationality or social status of the senior tourist, the impression was given by several of the OMs that this group was viewed through a stereotypical lens, which created the assumption that they have similar interests and could be catered for as a generic market. MF19 (urban hospitality provider) did not consider the different interests of the older tourist and presumed that seniors were all of the same mind-set: *'I don't think people of that age [over 55] go to the [amenity] in the winter.'* Little effort appeared to be expended in attempting to differentiate the senior market into a multi-faceted segment with individual tastes. MF15 (coastal hospitality provider) commented: *'They are all a group of people; they go off together and have a bit of craic. It is very much organised and they like that.'* The perceived propensity of seniors to travel in large groups was also recognised by MF02 (urban hospitality provider): *'And they actually come and have afternoon tea in groups of 30.'* Having an organised itinerary was deemed to be of importance by MF06 (rural activity provider): *'The senior people seem more keen on having less to do. They are retired, they want more of the trip organised for them.'* A similar view was adopted by MF04 (rural/urban guided activity provider): *'First of all people are looking for a holiday that is packaged. They don't have to worry about their bus transfers or about where they are going to eat at night...'* The provision of a set schedule was also seen as a requisite offering by MF01 (urban guided activity provider):

The older groups ...take the option that I'll take the coach tour because I don't have to find the accommodation, I don't have to worry about dinner, I don't have to worry about breakfast, I don't have to worry about transport.

There was an element of invisibility within the senior market, whereby some firms that benefited from their patronage failed to recognise the importance of the segment. This was demonstrated by the comments of several of the interviewees who do not appear to nurture this valuable revenue stream. In conversation with MF01 (urban guided activity provider) it was learned that senior tourists were not actively marketed towards and yet when asked about the demographic composition of customers, the reply was: *'Most of them are older people...'* This paradox was further compounded by the revelation from the same source that: *'I don't go after the older market, I go after particular companies. The companies don't go after the older market either...'* It appears that the senior market was taken for granted by certain tourism operators or that the relevancy of the demographic group as a revenue stream was undervalued. There was acknowledgement that the sector had importance but it appeared not to be given prominence from a marketing viewpoint. MF05 (coastal guided leisure activity provider) admitted to being surprised by the extent of the senior sector: *'That was a huge market that I didn't know existed then.'* MF16 (urban leisure activity provider) expressed disappointment at the lack of seniors frequenting the business, but then stated: *'I didn't go after them, I probably have forgotten about them really in the last year. I didn't ring any of them, didn't make any contact with them...'*

Even where the existence of the senior market was acknowledged both in terms of numerical strength and revenue generation, in some cases there was an apathy or reluctance to prioritise that group over younger cohorts:

I'd like to be doing more target marketing and I suppose Facebook is probably a place where you can very effectively target a specific age group, from a specific area. I haven't gotten around to that yet, MF15 (coastal hospitality provider).

MF21 (urban activity provider) regarded the senior market as merely being part of the overall visitor footfall: *'The over 55 is only a segment but it is a segment that we are aware of.'* Likewise, MF17 (rural guided activity provider) was equally blasé about actively nurturing the senior customer base: *'I am not actually targeting the older market, they are coming to me. I do find this year that there is an older clientele coming in...'* The niche potential of the senior market was not immediately recognised by MF18 (rural guided activity provider), who was more concerned with targeting generic footfall rather

than a focused approach towards different demographic segments: *'I don't think I am going to do anything special for over 55's. I will do specials, but it will be for everybody. I don't see the point.'* MF07 (urban guided activity provider) contradicted this assertion and readily acknowledged the importance of the untapped senior market: *'The grey pound is hugely important, I think it is. It is an under developed market, definitely.'* However, the same interviewee contended that the market was often overlooked and that business came from other competitors who distanced themselves from the senior market because of perceived biases: *'They are a market nobody wants, like children.'*

5.2.3.3 The benefits of senior tourism engagement

Those OMs that viewed senior tourists as a vital part of their customer base and actively engaged with this cohort adopted a more appreciative approach to their untapped potential. Seniors were regarded as bestowing many benefits upon the micro-firms and these negated the impediments of age related infirmities that may detract from dealing with this niche customer segment. The tendency of the senior market to circumvent traditional time constraints associated with the working week and school calendar was very much in evidence. MF14 (rural leisure activity provider) stated that the senior market could readily negate the quieter periods when their regular customer base would not be available:

People have more time on their hands when they are semi-retired. They probably have a few more pounds to spare than some of the rest of us. They are free to come weekdays, when working people are not.

Additionally, MF10 (rural leisure activity provider) believed that the challenging quieter periods could be alleviated by focusing on the senior market in order to bring in additional custom: *'They travel off-season when the kids are in school in April, May and September.'* This view that seniors were less constrained by the calendar and more at liberty to travel than their younger counterparts was reiterated by MF09 (urban craftsman): *'People are more flexible, more cash in the hand...more time.'* MF04 (rural/urban guided activity provider) raised the challenges of trying to maintain a constant customer base and was not averse to seeking out the senior market in order to generate additional revenue during periods of static trading: *'We feel that they could fill in weeks off-season, mid-week that we may not otherwise be able to fill.'* Similarly, MF15 (coastal hospitality provider) was cognisant of the difficulties of the off-peak period and regarded

the senior market as having the potential to carry the business through this quiet time: *'So it is very much so they are the people that I can see using this place in the wintertime.'*

5.2.3.4 Loyalty within the senior market

The senior market was recognised as being loyal to a particular service or operator once they were satisfied with the end product. MF06 (rural activity provider) recognised this loyalty aspect and was keen to point out that they were preferable to other age brackets: *'You generally find that the older retired lads ...won't use you and then go off on their own. They are a better customer...'* MF22 (coastal hospitality provider) contended that senior tourists were easier to care for than their younger counterparts: *'Over 55's are quite easy to deal with and a joy to have stay.'* Several of the interviewees stated that seniors were more willing to engage in conversation and placed a high entertainment value on the outcome of their interaction with tourism providers. For instance, MF09 (urban craftsperson) remarked: *'You have to have a joke with them, have fun, they love it, they absolutely love it.'* An additional benefit of dealing with the senior cohort was that they were deemed to be less troublesome and more likely to behave responsibly than certain other demographic groups. They were a preferable group compared to other guests that MF15 (coastal hospitality provider) would have engaged with: *'When you are dealing with hens and stags...there is not very many drawbacks you can have with the over 55s...'* MF19 (urban hospitality provider) also demonstrated an affinity towards the older tourist: *'[Older] People are great generally. The younger ones are more trouble.'* MF13 (rural guided activity provider) held a similar viewpoint: *'They are very pleasant, they are warm, they know what life is about. They are not cheeky, they are lovely bunch of people.'* Similarly, older groups were seen by MF07 (urban guided activity provider) as being an easy segment to cater for: *'So the grey pound is a lot better, it is worth the same, buys the same diesel, but it is an awful lot easier earned.'*

5.2.3.5 Instigators of wider family engagement

The senior market was perceived by many of the OMs as a welcome revenue source due to their propensity to engage in repeat business and their desire to organise multi-generational visits. For example, MF02 (urban hospitality provider) illustrated the benefit of repeat business from returning elderly customers: *'They come for two weeks every year, for it must be ten years.'* MF22 (coastal hospitality provider) was equally appreciative of the older market because they tended to engage in protracted visits: *'They would often stay*

probably a couple of days, because they would like a base.’ In addition to these traits, the senior market initiated extended family outings and often brought additional members along. This was a welcome additional revenue stream and from a long range perspective also potentially provided businesses with a future customer base. MF16 (urban leisure activity provider) recognised this aspect: *‘They are not only coming themselves on a weekly basis which is important for the business...but they are bringing their families back.’* Grandparents travelling with their grandchildren were also remarked upon by several other interviewees. For example, MF11 (coastal historical site) noted that: *‘We get a huge number of grandparents bringing the grandchildren.’* This observation was also shared by MF20 (rural guider natural heritage experience): *‘They will be almost all over 55, sometimes they will have a son or a daughter with them or a grandchild.’* The ability of seniors to foster inter-generational engagement was also recognised by MF10 (rural leisure activity provider): *‘You will also see that a lot of the kids that do come tend to with their grandparents as much as being with their parents.’* Table 5-4 offers a synopsis of the advantages and disadvantages of micro-firm interaction with the senior tourism sector.

Table 5-4: Senior Tourism Market Dynamics

Opportunities	Challenges
<ul style="list-style-type: none"> • Senior tourists enhance the tourism offering through their wealth of intrinsic knowledge and lived experiences 	<ul style="list-style-type: none"> • The senior cohort are not a homogeneous group with perceived stereotypical health and mobility ailments
<ul style="list-style-type: none"> • Seniors are perceived as being less boisterous and disruptive than their younger counterparts 	<ul style="list-style-type: none"> • Tailoring the tourism offering towards country of origin rather than a generic offering
<ul style="list-style-type: none"> • Lack of employment or parental commitments enable seniors to travel out of season and engage in numerous short trips 	<ul style="list-style-type: none"> • Many seniors are highly educated and former industry peers, thus they expect and demand a certain level of service competency
<ul style="list-style-type: none"> • Many senior tourists are regarded as being relatively affluent, thereby negating the perceived austerity amongst national groups 	<ul style="list-style-type: none"> • Being able to adapt the tourism offering to cater for those seniors that are not as physically capable as their contemporaries
<ul style="list-style-type: none"> • Seniors gravitate towards cultural heritage attractions, actively seeking rewarding and meaningful experiences 	<ul style="list-style-type: none"> • Value for money is seen as a requisite for national senior tourists and it can be challenging to counteract this mind-set
<ul style="list-style-type: none"> • Loyal visitors with a penchant to return and bring family members offer welcome repeat business 	<ul style="list-style-type: none"> • Diversity amongst seniors will inevitably require that some will be less capable than others to consume the tourism offering unaided

5.2.4 Transitioning to Adaptive Capability Development

5.2.4.1 OM role in facilitating adaptive capability development

The OM is a pivotal part of the micro-firm decision making process and this section compiles the responses of the interviewees to aspects such as the importance and challenges of developing ordinary level capabilities and the catalysts and impediments of developing adaptive capabilities. The conscious ability of the OM to make adjustments to the business and its strategic focus will be central to engaging in adaptive capability development, thereby taking the business to a desired future state of operation. This level of capability deployment was evident in ensuring that the business operated effectively and generated a profit. Operational or ordinary level capability deployment included maximising the efficiency of work routines, implementing systems, deploying flexible staffing arrangements, engaging in ad hoc training, planning routines and delegating tasks. For example, MF16 (urban leisure activity provider) demonstrated strong operational capabilities with a regularised daily work routine for staff: *'All the girls would have a checklist for every day.'* MF05 (coastal guided leisure activity provider) believed in the importance of following the correct procedures and how proper training was a requisite but required time to be mastered effectively. Replacement staff could be brought in to cover holidays: *'I have two or three guys...But...I haven't trained them up yet to do it as good as I do,'* MF05 (coastal guided leisure activity provider).

MF11 (coastal historical site) was determined to have the operational side of the business functioning efficiently which would alleviate unnecessary distractions: *'We have bad systems at the moment that we are going to try weed out next year.'* An efficient operation was important for MF21 (urban activity provider) who was conscious of pushing the basic operations to the fore: *'We made up a 27 point plan. No 1 - dress code. No 2 - customer service. No 3 - reporting accidents...'* Having the operational routines performing smoothly was equally essential for MF04 (rural/ urban guided activity provider) and this provided a solid working foundation from which to develop future business activities: *'Get...the non-glamorous side right, get the business side right. Keeping it clean, keeping it tidy, behind the scenes and the outward business will look after itself.'* MF02 (urban hospitality provider) was an advocate of delegating operational routines to free up time for other activities: *'Old fashioned planning...I break down everything in*

the various stages and then see who needs to be brought in to actually deliver it.' Mastering basic skill-sets became important for MF10 (rural leisure activity provider) because before the business could adapt to new customer demands, the existing core capabilities had to be upgraded to cater for an unexpected windfall of extra business: *'We needed more shop-keeping skills which we hadn't had before.'* The following quote from MF24 (rural crafts person) highlighted the necessity to master the core operational activities as a minimum in order to survive a shock to the external environment: *'I suppose with the boom and then the bust it was just try and keep on track and try and keep the place going.'*

5.2.4.2 Aligning market demands with operational challenges

There were many demands on the OMs and the burden of running a business with limited resources manifested itself in many ways. The lack of a colleague for task delegation often appeared to restrict both the amount of business that a micro-firm OM could accommodate and also negatively impacted upon their free time. MF12 (rural historical site) spoke of always being on call during the season: *'At a minute's notice if a bus wanted to come, that the place is prepared, always prepared and ready.'* MF23 (rural hospitality and activity provider) was equally at the behest of guests: *'I usually say I am here, there is always someone here.'* Not being able to recruit extra employees to cover emergencies or holidays, either due to resource constraints or staff availability, added to the pressures on the OMs. During the peak season there was difficulty in hiring well trained staff that were in high demand, whereas in the off-peak period transient workers had moved elsewhere, further compounding recruitment difficulties. MF05 (coastal guided leisure activity provider) feared a bout of illness: *'If I do have an injury or sickness what is going to happen?'* MF06 (rural activity provider) foresaw lost revenue potential during planned holidays: *'Next year we have a holiday...for two weeks in July. I did shed tears at the concept of this because there is probably going to be bookings coming in.'*

Although the desire to employ additional people may have been present, either the lack of financial resources or staff unavailability negated this possibility. MF17 (rural guided activity provider) could not support other employees on the income from the business: *'I am lucky enough that it is such a micro-business, I don't have other employees to pay.'* MF07 (urban guided activity provider) recognised the fragile existence of a micro-firm: *'The smaller the business, the harder it is, because you have to do more.'* MF18 (rural guided

activity provider) found it difficult to be detached from the demands of the business: *'Lots of sleepless nights'* and MF14 (rural leisure activity provider) made reference to having undergone a steep learning curve: *'The first couple of years were tough... We had days here where we were wondering what we were doing.'* Table 5-5 highlights an array of the many operational level capabilities that were evident amongst the micro-firm OMs as they endeavoured to maintain the day-to-day viability of their respective businesses.

Table 5-5: Examples of Operational/ Ordinary Level Capabilities

• Website development	• Developing business norms
• Local marketing initiatives	• Brand promotion
• Networking	• Customer service engagement
• Monitoring profit and loss margins	• Creating customer offerings
• Staff rotas and timetabling	• Cost control and reduction
• Health and safety compliance	• Logistical operations development

5.2.4.3 Triggers of adaptive capability development

Transitioning from ordinary level capabilities, which revolve around the daily operation of the business, towards higher level adaptive capabilities was a conscious decision of each micro-firm OM. The catalyst for such an intervention was a desire to meet market expectation demands and capitalise upon nascent business opportunities. Adjustments were made to the strategic focus of the business, and existing resources and routines were altered to accommodate this desired future state. MF02 (urban hospitality provider) offered an insight into this developmental process by remarking: *'The whole idea of the grey pound. We looked at it as a market segment. We then thought what can we offer that actually fits in with that market?'* MF04 (rural/ urban guided activity provider) stressed that the operational tasks within the business were detracting from embracing a holistic view of the marketplace and also of customer engagement: *'We have had to adapt and we have had to not reinvent the wheel, but...to draw on good things that we should have noticed before we started.'*

MF15 (coastal hospitality provider) was conscious of giving the business enough time to become established and only then, would it be prudent to adjust existing routines and direct resources towards a closer alignment with market opportunities: *'It is just trying to find your little niche...It takes time to find out...where you fit in the whole scheme of things.'* There were other examples of higher level capabilities being triggered by direct customer engagement. MF22 (coastal hospitality provider) was indicative of many of the

interviewees by stating: *'It is more a reaction to somebody's request, you would change things.'* This desire to enhance the customer experience was also evident in MF12 (rural historical site): *'I could see us doing it all in dress here, in uniform, character dress.'* The desire to continually adapt the product/ service offering was the impetus for other OMs to transcend lower level capabilities. MF03 (rural/ urban leisure activity provider) stated: *'We are proving again that [activity] and heritage or [activity] and that kind of tourism is going together. And it is a good match.'* Table 5-6 presents the salient criteria for adaptive capability development that has emerged from the interviews.

Table 5-6: Overview of Adaptive Capability Development Criteria

Sensing	Seizing	Reconfiguring	Leveraging
Recognising the need for continuous change to offset competitor activity	Engaging in focused creative development based upon harvested ideas	Deploying innovative actions arising from the interaction of resources and knowledge	Garnering repeat business from enhanced customer offering
Utilising the off-peak season as a catalyst for creating ideas and monitoring external trends	Facilitating knowledge integration into current business acumen to offset competitive transience	Reconfiguring existing routines with future intent to deliver new resource combinations	Adopting innovative practices linked with resource enhancement to attain future state of operation
Internal and external environmental stimuli provoke environmental scanning response	Targeting newly filtered competitor activity as a means of adapting resources	Incremental evolution of novel ventures to minimise financial outlay	Targeting the senior market by utilising reconfigured resources in a new domain

5.2.4.4 Enacting strategic business adjustments

Many of the OMs demonstrated the ability to make continual adjustments to the business, both in terms of the range and quality of products and services on offer and to the strategic direction. Those OMs that purposefully transitioned beyond the day to day operational capabilities of the business, focused upon gaining a more competitive foothold through higher level capability engagement. MF14 (rural leisure activity provider) was keen to differentiate their tourism offering from rival operators and adopted the credo: *'You have to make yourself stand out from the crowd and have something that is a little bit better than your competition.'* Future planning was also part of the business routine for MF03 (rural/ urban leisure activity provider) who was hoping to expand into new markets: *'We are very close to setting up an office in the UK; we probably will do it ...next year.'* MF07 (urban guided activity provider) targeted new business generation with a deliberate strategy of focusing on unpopular niche markets, which would help expand market share: *'A lot of the stuff that we traditionally did, nobody else wanted. That wasn't a mistake or an accident. We...went out to deliberately target that.'*

It is these higher level capabilities which are removed from the day to day running of the business that forms the concept of adaptive capabilities. For example, ongoing improvements in the customer offering were an indication of higher order capabilities and many of the micro-firms were keen to develop new products or services to cater for emerging needs and sectoral trends. MF12 (rural historical site) was mindful of the need to create new offerings but illustrated the resource pressure that the business was under by stating that such activity was impractical during the peak tourism season: *‘The minute the season is finished, there are plenty of months in between that is when you do all your planning.’*

MF14 (rural leisure activity provider) encapsulated the micro-firm resource limits and ingenuity of OMs by creating an online presence, even though it was not within their skillset: *‘It was a case of necessity; I am not really a tech person. I had to get into it.’*

MF24 (rural craftsperson) was conscious of the need to maintain competitiveness by enhancing the product range: *‘We are always trying to make new pieces.’* MF11 (coastal historical site) continued the theme of presenting visitors with a renewed offering each year. This kept the offering fresh and gave the visitors a reason to return, which ensured valuable repeat custom: *‘Well people get a sense well I [returning tourist] paid for that, because I visited last year and I don’t mind, I want to see this [new offering] happen.’*

A growing confidence from being self-employed propelled MF09 (urban craftsperson) into creatively expanding the portfolio and skillset: *‘I think that since I have left the factory I have improved on it because there are some things that I have done here, I would never have done over there.’* Some examples of the types of new products and services that were developed by the micro-firms are shown in Table 5-7.

Table 5-7: Creation of New Product/ Service

<ul style="list-style-type: none"> Partnering with another business to deliver an enhanced offering 	<ul style="list-style-type: none"> Altering scheduling to facilitate greater levels of customer service between events
<ul style="list-style-type: none"> Utilising State agencies to secure funding to enhance facilities 	<ul style="list-style-type: none"> Widening the attractiveness of the product range by incorporating different price points
<ul style="list-style-type: none"> Developing new product lines to mirror market trends 	<ul style="list-style-type: none"> Harnessing social media to reach new market segments
<ul style="list-style-type: none"> Discount vouchers to alter mid-week footfall patterns 	<ul style="list-style-type: none"> Adding new points of interest on an existing route
<ul style="list-style-type: none"> Rejuvenating existing offering to appeal to repeat business 	<ul style="list-style-type: none"> Incorporating customer feedback into existing service offering
<ul style="list-style-type: none"> Extended trading hours and enhanced service offering 	<ul style="list-style-type: none"> Diversify the business offering to cater for seasonal trading patterns

5.2.4.5 Regenerative mechanism facilitating adaptive capability development

Several of the OMs demonstrated the ability to renew their tourism offering in line with customer demands, market forces or competitor activity. Sensing that the current business model was ineffective, MF05 (coastal guided leisure activity provider) targeted a more diversified customer base in subsequent years of trading: *'It wasn't making me a good living. So it evolved quite quickly on the second or third year.'* MF04 (rural/ urban guided activity provider) equated the ongoing renewal of the business with remaining competitive: *'You've got to be thinking all the time...about what's different about what you are offering.'* MF12 (rural historical site) and MF16 (urban leisure activity provider) were of a similar mind-set and stressed the importance of a fresh customer offering, for instance, MF12 (rural historical site) commented: *'You always to try and make it different because... of repeat business.'*

The desire to renew the customer offering was apparent from the comment of MF11 (coastal historical site) who understood the importance of business rejuvenation and this provided the motivation to engage with the research study: *'It is why I am taking this with you today because it's relevant to me.'* MF02 (urban hospitality provider) also utilised this regenerative approach to contend with competitors encroaching on their product offering: *'What we have to keep doing is reinventing our ideas, because we actually found that some of the restaurants pick up on our ideas.'* The catalyst for MF20 (rural guided natural heritage experience) to implement a new offering came from an intrinsic desire to move from banality and embrace a fresh challenge: *'What would prompt the idea, probably my own boredom from doing what I am doing all the time.'* Table 5-8 offers a summary of the various stimuli faced by the OMs in the development of adaptive capabilities.

Table 5-8: Adaptive Capability Development Stimuli

External factors	Internal factors
• Competitor activity	• Propensity for risk engagement
• Sudden lack of customer footfall	• OM demeanour
• Customer feedback	• Infusion of fresh skillsets from new employees
• Environmental shock	• Desire for product/ service enhancement
• Divergent market trends	• Desire for autonomy within the business
• Financial indebtedness	• Implementing creative ideas
• Seasonal variations in tourism demand	• OM combating monotony and boredom
• Adverse change to personal circumstances	• Brainstorming sessions
• Business lifecycle progression	• Ad hoc management style deemed ineffective
• Serendipity	• Discarding the need to maintain the status quo

5.2.4.6 Potential impediments to adaptive capability development

Excessive bureaucracy was perceived by MF07, 08, 10 to impede ease of business development. Regulatory compliance was regarded as hampering entrepreneurial intent and OMs were focused on fulfilling their legal obligations at the expense of being attentive to market demands. Other OMs, such as MF11, 13, 15, 17, 21, 24 struggled with a scarcity of resources; the lack of financial wealth was the primary impediment but insufficient manpower was also an issue. The readiness of the OMs to embrace new routines and practices was curtailed by an overabundance of caution, MF13, 14, 17 or in the case of MF05, 13 it was a reticence to act decisively. The ramifications of a wrong business decision were evident from the interviews and such OMs were cautious in their resource deployment. Trading on past achievements bestowed upon MF 08, 12, 13 a myopic business outlook, which constrained them from adopting new practices or untried activities. MF01, 12, 19 circumvented expansionary plans due to an inability to service additional workloads because of insufficient help at an operational level. Not all of the interviewees, for example MF13, 17, 23, wished to create business empires and were content with additional income to fund their lifestyles. This was in contrast to MF17, 18, 22 who acknowledged that they required further training to achieve future business goals. Stage of life was also seen as an inhibiting factor, with MF05, 08, 23 commenting that they were content to forego change and growth plans at this late stage of their working lives. There were instances where not all OMs were willing or able to progress beyond operational capabilities and Table 5-9 illustrates relevant examples in this regard.

Table 5-9: Factors Inhibiting Adaptive Capability Engagement

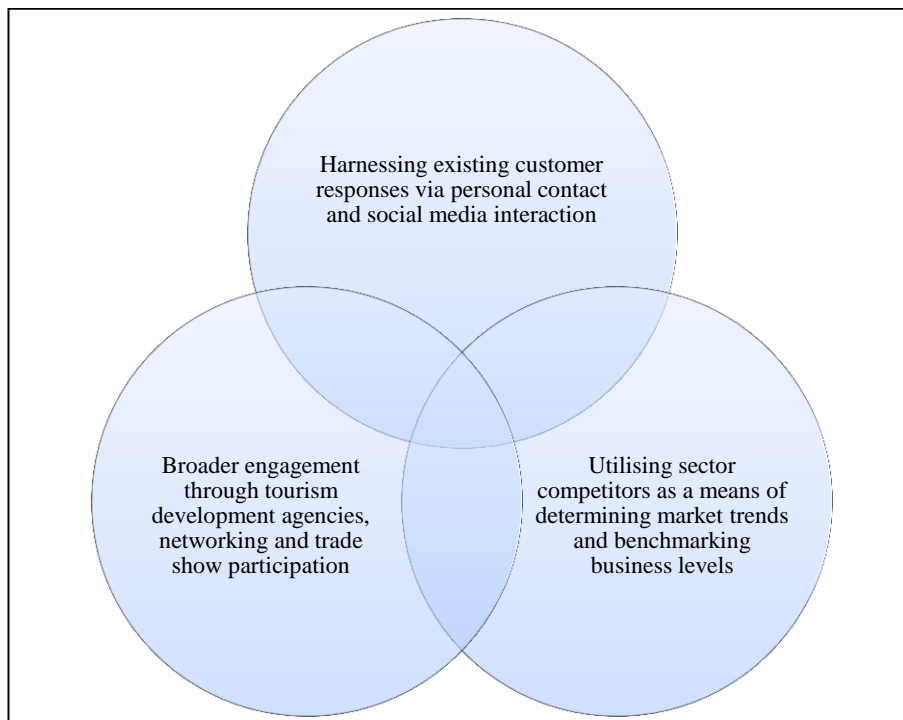
Inhibiting Factor	Micro-Firm Experience
Bureaucratic impediments	<p>MF07: <i>'Health and safety will knock back tourism in Ireland dramatically, no two ways about it; it is going to flatten it.'</i></p> <p>MF08: <i>'There will have to be a professional end of it which will lose a lot of the spontaneity I suppose over time. But unfortunately it will have to comply or else we won't be able to do it.'</i></p> <p>MF10: <i>'New product development is way down the list, safety is the most important thing and that is where any spare money goes.'</i></p>
OM risk aversion	<p>MF14: <i>'I think about it... I wouldn't make a rash decision.'</i></p> <p>MF13: <i>'Sometimes you might go I don't know...or maybe...but you have to try different things to see if they work.'</i></p> <p>MF17: <i>'It is something that I actually have to look at this year, maybe diversifying a bit.'</i></p>
Core competencies becoming core rigidities	<p>MF13: <i>'I just keep doing what I do. Hopefully people will keep coming to me.'</i></p> <p>MF12: <i>'We have a core product and that is what we are staying with.'</i></p> <p>MF08: <i>'We were very set in our ways. The meals never changed.'</i></p>
Resource ceiling	<p>MF17: <i>'It is hard. As a one man, I am limited finances, limited money to try and keep it going.'</i></p> <p>MF24: <i>'We have an idea and we throw a few quid at it and if it is not working after a while we stop throwing money at it.'</i></p> <p>MF21: <i>'There are...tug of wars over what we need and what we can afford.'</i></p>
OM procrastination	<p>MF05: <i>'I feel that it could evolve, if it doesn't it doesn't. I'm grand.'</i></p> <p>MF13: <i>'Sometimes I actually hold myself back a little bit because I look into things too much.'</i></p>
Financial constraints	<p>MF11: <i>'For God's sake close when you are losing money, there is no onus on any business to lose money.'</i></p> <p>MF13: <i>'I need money coming in. So I need to make sure...I have income sources coming in from other areas, which sometimes can be difficult.'</i></p> <p>MF15: <i>'It is very difficult, I have a restaurant up there that I need to revamp ... but it is going to cost money to do it.'</i></p>
Lifestyle business	<p>MF17: <i>'I was...going up to the hills regularly and I liked it so much, I decided I would like to...try and make a few shillings from it.'</i></p> <p>MF13: <i>'If it is making a few bob along the way, I am not going to be buying a Ming vase but it is keeping me out of trouble. It is keeping me fit and healthy.'</i></p> <p>MF23: <i>'I started the [business] while I was at home and it was extra income.'</i></p>
Capacity constraints	<p>MF01: <i>'No, I am big enough the way I am. I don't have time...'</i></p> <p>MF12: <i>'I wouldn't want it that busy...to do that you are losing. We would lose our ethos with that much [custom].'</i></p> <p>MF19: <i>'It is enough for me. Plenty of the other people around would take loads, it's enough for us anyway.'</i></p>
Demographic profile	<p>MF23: <i>'I would stay with the way I am. It would be different if I was 10 years younger but not now.'</i></p> <p>MF05: <i>'If I was a younger fellow I would definitely without a doubt expand. And I can see the opportunity to do so and I don't want to.'</i></p> <p>MF08: <i>'I am getting less open to new ideas and that is just an age thing.'</i></p>
Skills deficit	<p>MF18: <i>'She is marketing and going after business. I don't have time to do it. She is younger and more computer savvy.'</i></p> <p>MF17: <i>'I play it safe. If I was to break out of my comfort zone as you mentioned earlier, I would definitely have to up skill.'</i></p> <p>MF22: <i>'We probably feel we are not specialist enough to know how to decorate it differently without getting in someone to give us ideas.'</i></p>

5.2.5 Development of Market Sensing Capabilities

5.2.5.1 Broadening the market sensing radius

There were many approaches to market sensing evident amongst the interviewees and gathering data from the business environment occurred in different ways. There was a spectrum of involvement amongst OMs in their response to probing, interpreting and harnessing signals from the external environment. Such market sensing techniques encompassed customer, competitor and wider network spheres of interest, whereby each OM utilised interaction with tourism groups to inform their respective view of the business environment. Those OMs that focused solely upon customer intelligence demonstrated a narrow field of market sensing whereas those that broadened their sphere of engagement attained a wider interaction among environmental signals and nascent trends. Figure 5-2 illustrates the primary channels of market sensing outlined by the OMs.

Figure 5-2: Market Sensing Channels



Source: Author

The core of what contributes to the running of a profitable business was regarded by many of the OMs as being intuitive and not a skill that was easily acquired. MF15 (coastal hospitality provider) believed that market sensing was an intuitive ability: *'I suppose you kind of have a sense and a feel for your own premises.'* MF20 (rural guided natural heritage experience) relied on innate experience to gauge how customers would interact with proposed new offerings: *'As a [profession] I know that will work.'* MF11 (coastal historical site) contended that business acumen was derived from lived experiences rather than solely from academic endeavours: *'Someone who has absorbed it, distilled it, refined it, perfected it and can hand it to you then. I always said find those people.'* MF12 (rural historical site) and MF14 (rural leisure activity provider) could not articulate how they evaluated business opportunities and regarded it as a natural trait. MF12 (rural historical site) stated rather pragmatically: *'It is common sense, an awful lot of it.'* Vagueness was also evident in the response of MF14 (rural leisure activity provider): *'It is instinct really.'* In a similar way, MF21 (urban activity provider) termed this tacit knowledge *'fruition'*, while MF23 (rural hospitality and activity provider) called it *'experience.'*

5.2.5.2 Customer intelligence as a market sensing tool

All of the OMs readily engaged with customers to ascertain whether or not the best levels of service or product range were on offer. OMs tended to become aware of their customers' needs in a variety of ways. For some, it was part of their customer service etiquette and they would regularly talk with visitors on an individual basis. MF10 (rural leisure activity provider) stated: *'It is very easy to gauge; there is no need to have questionnaires or anything. They are very vocal in what they want and what they don't want.'* This theme of direct customer engagement was prevalent amongst the interviewees. For example, MF07 (urban guided activity provider) mentioned: *'It is very simple, they tell you. Quite vocally.'* MF02 (urban hospitality provider) had a keen interest in monitoring customer satisfaction: *'I suppose feedback is one. Because we are a family owned business, we actually spend time with our guests.'* Likewise, MF19 (urban hospitality provider) also monitored customer preferences through personal engagement: *'They tell me when they come. People will always tell you if they don't like it.'* In contrast, MF12 (rural historical site) relied on real-time body language against which to benchmark the tourism offering: *'The expression on their face will tell you.'*

Some OMs were also reliant on feedback from social media sites. Reviews from past customers were a source of quality control for MF08 (rural leisure activity provider): *'We were always getting rave reviews on trip advisor and that kind of stuff.'* Similar platforms were utilised by MF04 (rural/ urban guided activity provider): *'Facebook, Twitter and all of that...we know what they are liking and what they are not liking.'* And also by MF16 (urban leisure activity provider): *'We see the feedback through Facebook and Google reviews, so we are doing something right.'*

Another approach was to utilise repeat business numbers as a guide to customer satisfaction. MF05 (coastal guided leisure activity provider) stated that the level of repeat business was an indicator of the calibre of the service on offer: *'Well, they come back for more.'* MF12 (rural historical site) considered encouraging comments such as *'this is the highlight of our trip'* as validating their customer offering and regarded it as a quality control measure. MF05 (coastal guided leisure activity provider) also adopted a localised approach: *'I see it by what is knocking on the door and by the phone calls.'* MF22 (coastal hospitality provider) was similarly content to observe current trends by engaging with the customer base: *'I can't say I look into it a lot as in, we are happy with the amount of custom we are getting.'* Other OMs took an equally myopic approach and relied on their customer base to channel back information about the market. They were counting on customers to provide them with market research and to act as economic barometers. MF08 (rural leisure activity provider) gauged market variations and current trends by monitoring customer traffic through the business: *'I am not particularly good at that. We sense it by the amount of people that actually book and if you lose them.'*

5.2.5.3 Tapping into competitor intelligence

The tourism sector has low entry and exit barriers and hence competition is strong within the industry. Thus, the multitude of tourism micro-firms that populate the landscape create a climate of competitiveness which weighed heavily on many of the OMs as each endeavoured to capture market share within a crowded marketplace. There were varying degrees of responses with regard to how OMs perceived other practitioners within the tourism industry. Being able to monitor competitor intelligence enabled the OMs to sense what trends and new innovations were on the horizon. The transparency of operations within the tourism sector was evident from MF22's (coastal hospitality provider) response: *'You would keep an eye on the pricing; on the*

reviews...This is all online...to be seen.' For some, there was a tendency to ignore what other competing businesses were up to and not to acknowledge the impact that they might have on the business. Businesses that were indifferent to the actions of their rivals had a belief that they were operating to the highest standards and were leaders within their sector. MF09 (urban craftsperson) had the confidence to develop new business ideas in spite of the knowledge that other firms were emulating his achievements: *'I have no interest. I know they copy me, I know they do but I am not interested.'* MF15 (coastal hospitality provider) was equally indifferent to competition when it involved being copied by similar firms: *'I tend to ignore them, I don't know if that is a good thing or not. I tend to ignore what my competitors are doing. There is so much copycat goes on in the industry.'* MF12 (rural historical site) believed that they had a unique offering and therefore could not be compared to other attractions: *'A site like that privately owned and privately run. There isn't another in Ireland. We just don't have competitors.'*

Additionally, some OMs saw competition as a positive occurrence, a catalyst to maintaining market share by providing the impetus to being more creative. Loosing regular customers to competing firms provided MF06 (rural activity provider) with the incentive to re-evaluate the business offering for a lack of customer satisfaction: *'Repeat business is key...If you suddenly find that the customer you had last year is now with your competitor, an alarm bell should start to ring.'* Some OMs were more amenable to working with firms within the locality. For example, MF02 (urban hospitality provider) actively promoted the destination: *'We tell them about the various offerings of the Viking Triangle, the Greenway, the Copper Coast [all local heritage attractions].'* MF10 (rural leisure activity provider) took a holistic approach to competition, regarding it as a positive force within a region: *'When you are in the tourism business you don't have competitors as such. People won't come to an area unless there is lots to do...no you complement each other.'*

5.2.5.4 Sensing opportunities and threats within the wider market

Some OMs such as MF01 (urban guided activity provider) utilised their wider business network to keep them informed of developments and changing trends within the tourism sector: *'I keep on top of things. I'd know what would be happening around the country and internationally too...from the drivers and guides.'* Likewise, becoming immersed in the marketplace was regarded as a relevant means of keeping well-informed of current developments within the tourism sector. MF15 (coastal hospitality

provider) was adept at monitoring broadcast and printed media, whereas MF17 (rural guided activity provider) also incorporated social media: *'Looking at the market, social media and stuff...'* MF06 (rural activity provider) utilised tradeshows and supplier exhibitions to keep in touch with changing demographic trends, whereby the threat of a declining older market is counterbalanced by the potential of increasing the younger market share: *'The vast majority of people who [activity] are senior people...there would be an issue with getting young people into the sport.'* MF03 (rural/ urban leisure activity provider) kept in touch with current happenings by being in constant communication with multiple stakeholders: *'Being in the market, definitely, being in the market.'* Different OMs regarded various state agencies and local authorities as a welcome source of grant aid, a conduit for networking and a knowledge base to be exploited. For example, MF02 (urban hospitality provider): *'I would be very involved with Tourism Ireland¹⁰.'* MF04 (rural/ urban guided activity provider) was grateful for the help afforded during the start-up phase: *'If we hadn't Enterprise Ireland¹¹ ...it would have been a tight struggle to get the thing right and get it off the ground.'* MF12 (rural historical site) and MF21 (urban activity provider) regularly availed of Fáilte Ireland workshops and MF14 (rural leisure centre provider) successfully navigated the bureaucratic system to attain grant aid: *'I went to Teagasc then and asked them would I get any grant aid...They put me in contact with Kilkenny LEADER, so it moved on from there.'* A similar approach was taken by MF21 (urban activity provider): *'I think the feedback that we got off the Councils this year was very good ...'*

Those interviewees that embarked upon environmental scanning encountered various positive and negative market signals that could be acted upon where appropriate. MF02 (urban hospitality provider) exploited the intimate, family orientated aspect of the business to leverage new sources of revenue with the senior market: *'We are focusing on the fact that we are a house, rather than a conglomerate or a hotel. That psychological thing of how a house is family business.'* MF13 (rural guided activity provider) was more systematic and used networking occasions hosted by tourism development agencies to tap into potential opportunities in the marketplace: *'Introducing yourself ... keeping yourself visible, trying to hear what is going on around the place.'* A similar approach was

¹⁰ Ireland's international tourism development authority. It targets over 23 markets worldwide and reaches a global audience of up to 600 million potential travellers annually.

¹¹ Enterprise Ireland is the government organisation responsible for the development and growth of Irish enterprises in world markets.

adopted by MF12 (rural historical site): *'We work very closely with Fáilte Ireland and we regularly attend workshops.'* Developing new ventures by being opportunity aware was also seen as a fruitful tactic by MF21 (urban activity provider): *'We are willing to gamble on different ideas and different ways of making money and creating employment.'*

In contrast, the ability to sense the political environment for possible ramifications was seen as a necessary skill: *'Sterling fell like a stone this last 12 months since the Brexit vote.'* Likewise, MF15 (coastal hospitality provider) sensed the threat of currency fluctuations from a keen interest in current affairs: *'English tourists... are all but gone. You learn that through the media, that sterling is going to cost them a fortune to come here.'* MF07 (urban guided activity provider) took a long term consideration of the wider tourism offering and found the threat of an impersonal and generic tourism product worrying: *'...it used to be...you went in and spoke to someone that you knew...When it becomes big and impersonal, it will lose.'* The possibility of increased competition for MF05 (coastal guided leisure activity provider) was something to be considered when making future business plans: *'If I saw someone starting up what I am doing... I think I would initially be quite annoyed or worried, but I could see it happen.'*

5.2.5.5 Evaluating current market signals against past actions

Past actions and activities provided an opportunity for some of the interviewees to reflect upon the outcome and engineer a more favourable result. This was illustrated by MF04 (rural/ urban guided activity provider) who came to the realisation that their offering would have to have an emotional worth attached; otherwise tourists would circumvent the business and plan their activities directly:

But we soon realised that it's all about value too, and people don't want... to pay for us to hold their hand to [activity]...or to hire [activity] for them. They can do all that themselves...

For other OMs there was the realisation that extant routines were no longer effective and required modification. Becoming aware of inefficient practices or adverse customer offerings motivated MF07 (urban guided activity provider) to learn from prior experiences and alter routines: *'If you do something every day... very soon you become tired and you become bored...'* MF17 (rural guided activity provider) incorporated a new booking facility into the business, having previously suffered from customers failing to show up for tours: *'I got a booking solution onto the website...So people have to pay*

beforehand.' MF11 (coastal historical site) recognised the importance of not becoming complacent and regularly striving for enhanced performance:

We found and we've only just found this like we are the ultimate evolving business that will never get it right once, we will always move forward I believe, once we believe we are never going to get it right. The minute you get it right is the minute you take your eye off the ball and it all starts sliding backwards.

Learning from experience and prior mistakes was also evident in the actions of OMs such as MF12, MF13, and MF15. MF12 took time to analyse the business before implementing changes: *'We found out in the first two years what was not working, so discarded those and kept what is working.'* MF15 (coastal hospitality provider) was also conscious not to perpetuate ineffectiveness: *'I brought two coaches here during the summer two years ago and this premises did just not suit the coach tours.'* An honest appraisal of the development of business acumen and self-awareness was offered by MF13 (rural guided activity provider): *'I know more now about how things are and how I am doing... than I did at the start, so it is a continual learning process.'*

The benefit of hindsight was apparent from the response of MF02 (urban hospitality provider): *'We tried to look at everything, tried to look at every business and that didn't work.'* And also MF20 (rural guided natural heritage experience): *'We are sticking to those experiences, we know they work. We know people love them.'* Continuing the theme, MF21 (urban activity provider) realised that the operational activities were impacting upon the ability to progress the business and so decided to offload routine operations: *'We can do all the rest of it, but as we are going forward we are outsourcing all that. We made a few mistakes.'* Being able to interact with people while equally putting them at their ease, was a skill that MF23 (rural hospitality and activity provider) had learned over time: *'Over the years to know how to treat people and you know when to back off. It is experience.'*

Some of the key interactions of OMs within market sensing activities are outlined in Table 5-10.

Table 5-10: Market Sensing Engagement

<ul style="list-style-type: none"> • OM interaction with existing and current customer base 	<ul style="list-style-type: none"> • Gathering anecdotal evidence of competitor activity from shared customers
<ul style="list-style-type: none"> • Customer reviews of tourism offering on social media platforms 	<ul style="list-style-type: none"> • Observing rival websites for current activity and promotions
<ul style="list-style-type: none"> • Monitoring customer engagement levels during the consumption of the tourism offering 	<ul style="list-style-type: none"> • Fostering personal interaction with sectoral competitors
<ul style="list-style-type: none"> • Scanning traditional broadcast and print media outlets for market trends 	<ul style="list-style-type: none"> • Networking with industry peers through workshop/ training participation
<ul style="list-style-type: none"> • Frequenting trade shows and attending local/ national development agencies' events 	<ul style="list-style-type: none"> • Monitoring the wider social media network for nascent developments

5.2.5.6 Strategic fit considerations

How to generate a unique senior tourism selling point that would differentiate the business from rivals, while also being sympathetic of the resources at hand, was one of the focal points of the interviews. Some of the OMs perceived their distinguishable feature to be their own personalities and inherent passion and dedication for every aspect of customer engagement. Many OMs utilise the concept of strategic fit astutely, thereby matching and adapting their resources and competencies to the demands of the marketplace. MF02 (urban hospitality provider) had a structured and systematic approach to identifying new avenues for the business: *'First of all we would come up with ideas, have a brainstorming session and...see what is doable, what isn't doable.'* MF07 (urban guided activity provider) adopted a less pronounced approach to identifying new revenue streams and incorporated this activity into the daily routine: *'In that way you are planning and thinking but at the same time you are walking along, going in here for a bite to eat and thinking, you know what might work here?'*

The potential for new ventures came from many sources and the task for the OMs was to be receptive to these input signals. One means that MF12 (rural historical site) deployed to ensure that the relevant avenues of business generation were being explored, was to consider the end user: *'As we are always told, you have to see it not from our eyes but from a tourist's eye.'* Being close to the customer base also allowed MF03 (rural/ urban leisure activity provider) to seek out new ventures: *'We believe in direct marketing. We concentrate on meeting people, we go to meet them. We gather contacts, we develop those contacts.'* MF08 (rural leisure activity provider) sought to develop new opportunities

through a ripple effect of customer engagement, whereby successful local ventures were subsequently rolled out to a wider catchment area: *'It would start with the fellows in Waterford and then others around the country would come along.'*

MF15 (coastal hospitality provider) embraced an incremental approach to building the business and endeavours to enhance existing creations: *'Then we have different little festivals that we are trying to build on all the time.'* Although the desire was there to grasp new opportunities, some OMs were aware of the capacity constraints of the business and were content not to over-stretch their resource base. MF20 (rural guided natural heritage experience) concurred with this by saying: *'We are still with 4 major hotels and that is enough. We don't want anymore.'* MF23 (rural hospitality and activity provider) was similarly content with the scale of the operation: *'I am quite happy with what I have.'* MF22 (coastal hospitality provider) remained cautious and explained that there was no assurance that any new venture would attract continued custom: *'It is not always a guarantee they will come, so you are very aware of that, that you don't necessarily want to pump a lot of money in that may not come back.'*

5.2.5.7 Testing the strategic fit of market signals

OMs were immersed in the intricacies of their businesses and were subjected to a myriad of data from the wider environment. Knowing which information to act upon and whether or not to reject a proposed course of action was at the core of the managerial decision making process. Finite resources restricted the options available to OMs. A trial approach was adopted by some of the OMs who were willing to explore low cost or minimally disruptive projects on a fail fast basis. This limited their resource exposure and enabled them to implement potentially new routines in a practical, working environment. MF07 (urban guided activity provider) preferred a hands-on approach as opposed to an exploratory course of action in appraising new ideas: *'Try it and see, if it works it works, if it don't, walk away.'* For other OMs, evaluating ideas was an intrinsic endeavour, relying on instinct and benchmarking against the strategic fit within the business. MF14 (rural leisure activity provider) was cautious in approach: *'I think about it for a long while, I wouldn't make a rash decision on it.'* So too was MF15 (coastal hospitality provider): *'I am always happy to try something new. Once I have gone through it in my head and feel that there is... a chance that it would work.'*

Having a clear concept of the goals and mission of the business allowed MF13 (rural guided activity provider) to arrive at an informed conclusion: *'I know myself what it is I am trying to offer and I know what it is I want to offer.'* This intuitive filtration process was also evident in the reply by MF18 (rural guided activity provider): *'Now you are weighing it up in your mind and you are playing with the idea, what do you think will work? What would I like...'* as well as in the response of MF10 (rural leisure activity provider): *'The way we do it is if it doesn't work for us it won't work for our customers.'* However, rather than relying on intuition, MF11 (coastal historical site) preferred to remove sentiment from the filtering process and analyse it logically: *'You had to weigh up options and figure, not which one your heart wanted to go with, but which one made the grade.'* MF21 (urban activity provider) took an equally pragmatic approach and operated on the principle that potential ideas must generate a return on investment: *'If we didn't get enough people coming through our shop there, we would knock it. If you are paying someone to have the door open...'* MF22 (coastal hospitality provider) takes an inside-out approach and discusses the merits of future endeavours to determine their viability: *'The only filter, myself and my husband is both of us working in it, talking about it.'*

5.2.5.8 Micro firm OM approach to strategy planning

Ad hoc decision-making arose from inexperience or from a desire to hasten the growth of the business. MF02 (urban hospitality provider) engaged in an initial undisciplined expansion of the business which proved to be detrimental: *'Then we tried to look at everything, tried to look at every business and that didn't work.'* MF12 (rural historical site) acknowledged their early failings and lack of planning: *'You make boo-boo's'¹² obviously, when we started here first we had...horse riding, but could see fairly early on that wasn't working.'* The sense of initial bewilderment during the growth phase was common amongst the interviewees. For example, MF11 (coastal historical site) stated: *'We bought the place here in [date] with no plan as to what to do with the house.'* MF20 (rural guided natural heritage experience) admitted to taking a broad approach in the initial stages of business development and tried to embrace too many new ventures at once: *'We kind of wanted to do as much stuff as we could, so we hit everything...to try and make it work.'* MF07 (urban guided activity provider) was equally adrift in terms of coherent operational procedure: *'You look and you think that it is all under control but when you get inside you know that it is not. It's fire brigade management the whole*

¹² Errors of judgement.

time. MF21 (urban activity provider) adopted a multi-pronged strategy stance and did not employ a specific focus on one market segment in an effort to sustain several simultaneous revenue streams: *'You don't keep it [specific focus], we are bouncing around.'*

5.2.5.9 Deliberate strategic activity engagement

MF07 (urban guided activity provider) was keen to elaborate on how the business developed through a process of targeting niche markets that other operators found unattractive: *'A lot of the stuff that we traditionally did, nobody else wanted. That wasn't a mistake or an accident.'* However, somewhat surprisingly, MF07 (urban guided activity provider) did not believe in having a rigid, future orientated strategic policy: *'This idea of we sat down, we planned it out, a five year plan, all nonsense.'* MF02 (urban hospitality provider) had a deliberate approach to strategy generation and it was part of the business plan to explore new avenues and attain a competitive advantage: *'In other cases we might see a gap in the market...we were looking at lately what can we offer that is different.'* The necessity to strategically plan for the future appeared to be influenced by the demographic profile of the OMs and the stage at which that they were at in terms of their own involvement in the business. MF08 (rural leisure activity provider) felt removed from the strategic process, seeing it as the preserve of a younger generation: *'Well we would have to do a bit of strategic planning because we will have to be able to pay the people for the stuff. For me now and strategy, at my age, it is not [important].'* The concept of long term strategic development also seemed irrelevant to MF18 (rural guided activity provider):

No need to think 5 years down the road. We could be dead then. If I was 20 years of age I probably would be thinking 5 years down the road, but I am not. One year at a time, for now. I might have a different attitude next year.

However, MF19 (urban hospitality provider) preferred the security of having the trading year mapped out in advance in order to manage the busy periods: *'I would have to plan the year in advance.'* Likewise long term planning was the guiding framework for the endeavours of MF20 (rural guided natural heritage experience): *'I had my own plan in my head of where I wanted to be, where I need to be.'* MF21 (urban activity provider) recognised that the business was evolving and developed set strategic markers to chart its growth and direction: *'The model we have now will be very different in five years' time, or ten years.'* MF24 (rural craftsperson) was conscious of the need for strategic planning and

adopted a mid-range focus: *'We are thinking medium term, 2-3 years. We probably should have a 10 year plan but we haven't discussed anything.'*

5.2.5.10 Spontaneous strategic adaptive responses

Not all strategic planning was deliberate and calculated in advance. It appeared that some of the interviewees lived a subsistence existence with regard to the development of the business and did not probe beyond short term horizons. As an example, MF17 (rural guided activity provider) gave the following reply: *'The story of my life, ad hoc and spontaneous would be the best words to describe it.'* MF05 (coastal guided leisure activity provider) admitted to not being future oriented and contended that the nature of the business was such, that events happened gradually and this allowed time to plan for new occurrences: *'Like I said I am not a good planner, I never was. It just happens. Like you are saying if a new group just started to come it would trickle, it wouldn't just jump on me.'* A similar laissez faire attitude was attributable to MF07 (urban guided activity provider) who preferred to focus on short term targets at the expense of structured long term planning: *'I just live from year to year. I see what happens, I never say never...you just don't know.'* MF13 (rural guided activity provider) was equally short term focused and more likely to adopt a plan of action on the spur of the moment:

Three years' time how many people are you going to have working for you. How big is it, how many people are you going to employ. I know that, that is the way I should be looking at things, but it is not. I am more spontaneous.

MF23 (rural hospitality and activity provider) favoured dealing with situations as they arose rather than committing to a long term strategy: *'Mostly it [planning] kind of happens. If a change in the market came, if a change came then you would have to do something about it.'* Table 5-11 itemises the relevant strategic fit deliverables that emerged from the findings.

Table 5-11: Strategic Fit Deliverables

• Deliberate idea generation sessions	• 'Trial and error' engagement
• Localised reconnaissance	• Measured contemplation
• Customer engagement	• Propensity for Return on Investment
• Networking through external municipal and national agencies	• Reconfiguring extant resources based upon market requirements

5.2.5.11 Assessment of current position versus desired future state

Assessing the effectiveness of the business and gauging where to strategically deploy resources to best effect were key skills within the OMs' mind-set. Evaluating performance tended to occur away from the daily operational tasks of the business regime. MF02 (urban hospitality provider) explained the idea generation process:

Once a year we actually step out of the [amenity], my [family member 1], my [family member 2] and myself and we arrange a day... the initial thing is a day. We do that away from the [amenity] and the other stages happen in the [amenity] but it takes longer than a day.

MF03 (rural/ urban leisure activity provider) used outside expertise not connected with the daily running of the business, to provide an objective appraisal of prospective activities:

Every year [name] and I would have a lockdown in a venue outside of the office. We go to a hotel, we would invite in people who are not immersed in the business with us. We would ask them questions, their opinions. We would have a financial person in, a digital marketing...

MF11 (coastal historical site) stated that effectiveness was a long term strategy and took time to get right: *'When you look at good businesses, they are good for a reason because they have employed good work practice, but they have developed, they haven't become good overnight.'* MF19 (urban hospitality provider) indicated that a proposed larger scale operation would not be conducive to the current short season and so would necessitate encompassing the off-peak periods: *'You would have to sort of be open maybe in the winter then.'* MF20 (rural guided natural heritage experience) matched the growth strategy with what the business could comfortably cater for: *'We worked out what worked best for us and we stuck to that.'* MF23 (rural hospitality and activity provider) eschewed long term planning in favour of short term operations, being content with current business levels: *'I just plan as I go. I don't plan that far ahead. I take every year as it comes now. If I was younger I would, but not now.'*

5.2.6 Micro-Firm Resource Reconfiguration

5.2.6.1 Transforming the existing resource base

There were instances of the OMs adapting to changes in the external environment by deliberately altering their resource base to capitalise upon nascent opportunities or to enhance the customer experience. Being capable of utilising the resources to hand to solve problems as they arise was a characteristic of many of the OMs. A perceived poor location was turned into a potential selling point by the inventiveness of MF18 (rural guided activity provider): *'Our side of the [amenity] is quiet, so I put up a post saying...isn't it great to get out and clear your mind, away from the hustle and bustle.'* MF11 (coastal historical site) took a considered approach to challenging situations: *'Don't question what I am doing, just do it. I have spent eight hours thinking about it, you are not going to catch up with me.'* MF15 (coastal hospitality provider) was not averse to changing kitchen staff to ensure that the senior market was sufficiently catered for: *'You would have to change your chef; you would look at a different menu for them.'* A clear progression in terms of changing the resource base was shown by MF11 (coastal historical site) who had altered their routines for greater efficiency: *'We used systems that we wouldn't have been used to, but they are now used every day.'* Rather than visualising the business as a single unit, MF16 (urban leisure activity provider) subdivided it into multiple businesses whereby each sub-unit could be altered more readily to adapt to changes: *'We do because we have multiple areas in it. We have it very much separated into little business units.'*

MF06 (rural activity provider) recognised that breaking the monotony of a driver that was on a particular route too regularly, resulted in a better experience for the customers and also helped the employee maintain enthusiasm for the work: *'I deliberately decided to spread the bases. So that if you were doing [activity] this week...it might be...8 weeks until you see [activity] again.'* A willingness to learn new methods and embrace new markets was illustrated by MF10 (rural leisure activity provider), who was open to reconfiguring resources to accommodate a new market segment: *'Again this year was our learning curve year, so we needed to find out what do people want.'* MF08 (rural leisure activity provider) recognised that an impending burden of debt would necessitate more efficient systems and procedures being adopted than had previously been the

case. The existing resource base would be inadequate to generate sufficient economic output and it would be necessary to modify it. MF20 (rural guided natural heritage experience) realised that it was not viable to develop the business in two different directions and therefore streamlined the offering for greater operational efficiency: *'You can't be the master of two of them. So we need to pick the one that is going to make the most revenue.'* Not all sensed opportunities were fruitful, as MF11 (coastal historical site) explained when attempting to offer afternoon tea: *'We spent so much time on this and we made an unholy mess of it...the tea was perfect...The gardens were perfect. We killed ourselves on access.'* MF21 (urban activity provider) brought in new processes to enhance the customer experience and circumvent a personal deficiency in an area of customer service: *'We have girls answering the phone, because I am not suitable for repeating myself.'* MF23 (rural hospitality and activity provider) evolved into a new business type in response to the current offering being too restrictive to family life: *'I had grandchildren and they would want to come for the weekend. No you can't come, I have someone booked in.'* MF24 (rural craftsperson) synchronised visitor footfall and staffing levels, deploying more resources during the busier summer period and operating on a skeleton staff off-peak: *'In the summer it is easier to justify having people around because there are customers around.'*

5.2.6.2 Importance of developing new resource combinations

Altering the resource base through adaptive practices was seen as a means of survival and its importance to the longevity of the business was recognised by many OMs. MF04 (rural/ urban guided activity provider) summed up the necessity to be inventive: *'If you are closed to new ideas you might as well pack up... because it just doesn't work.'* MF13 (rural guided activity provider) was of a similar mind-set: *'You can't just pigeon hole yourself to one particular idea, otherwise you won't get anywhere.'* For MF14 (rural leisure activity provider) the regenerative process was a continual one and a necessary part of remaining competitive: *'You have to be thinking the whole time. You have to try and stay one step ahead.'* MF24 (rural craftsperson) was adamant that it was vital to generate new ideas: *'You have to be constantly innovating.'* MF02 (urban hospitality provider) equated innovative intent with the process of new venture creation and saw it as a natural appendage to business life: *'We are entrepreneurs by nature, so innovation is never a problem.'* MF22 (coastal hospitality provider) acknowledged that regressive offerings were not to be encouraged and that it was beneficial to continually develop

and adapt the current service: *'You would always want to improve the service that you offer.'*

The ability to alter the processes and routines within the business was apparent during the interview process and sometimes the catalyst came from customer responses. MF16 (urban leisure activity provider) reconfigured their booking system to enhance the customer experience: *'We use a calendar system for groups coming in to make sure that they don't clash. Give a bit of time between [activities]; we are getting a bit better at that.'* MF13 (rural guided activity provider) was also cognisant of the varying perspectives of customers and ensured that all personality types were catered for: *'If someone wants to go for a [activity] and take it in quietly and have a few words, you judge that.'* Having the ability to alter routines based upon customer feedback was seen as a requisite skill by MF11 (coastal historical site): *'One comment to you can change the direction of a whole business.'* MF21 (urban activity provider) used customer feedback to change their product offering as required: *'It's verbal feedback at the end of the day and also trip advisor and Facebook reviews.'*

This ethos of constant rejuvenation was prevalent amongst many of the OMs. For example, MF09 (urban craftsman) stated: *'It is not just sit back and let it [business] run in. You have to make it work.'* MF10 (rural leisure activity provider) was also an advocate of continual improvement as a means of outperforming rival firms: *'You just have to keep making sure that your experience is better every year...you have to add to it.'* A proactive stance was seen by MF13 (rural guided activity provider) as a means of maintaining market share: *'I can't just sit back and wait for people to phone me...you need to come up with ideas.'* Similarly, MF15 (coastal hospitality) advocated planned activities to attract tourists to the region: *'There should be something on, and it doesn't matter how big or small it is.'* MF19 (urban hospitality provider) was aware of the competitive nature of the tourism sector and understood the need to develop new products and services: *'When you stay somewhere else, you would be looking around for something different.'* MF22 (coastal hospitality provider) had a focus on continual improvement but would have to rationalise the expenditure first: *'If you felt a need for it or you felt it would improve.'*

5.2.6.3 New opportunities prompting resource reconfiguration

Those OMs that embraced an adaptive mind-set were conscious of the need to amend existing routines and processes and reorganise their current resource bases in order to embrace nascent opportunities. MF07 (urban guided activity provider) highlighted the necessity to adapt to a constantly fluctuating environment by continually altering the resource base: *'The marketplace changes and you can see it coming and you can negate to a degree and up skill or whatever, to meet the challenge.'* Unexpected levels of increased customer activity were the impetus for MF10 (rural leisure activity provider) to reconfigure routines and extend the trading schedule: *'Whereas we would normally be closed this time of the year, the coffee shop would be closed, for the first year ever we are...open...even though we are not operating the [attraction].'* There were instances where resource reconfiguration occurred in response to the forced onset of a period of greater productivity than had previously been the case. For example, endeavouring to develop an enhanced profit orientated operation was challenging for MF08 (rural leisure activity provider) and it would become more acute because the business would have to carry a new level of financial debt: *'It will have to be more commercial than it was heretofore. Because obviously when you owe the money...'*

Resources within micro-firms are finite and MF12 (rural historical site) illustrated how the business could accommodate different activities within their core skillset by varying their offering to suit the size and demands of the group: *'We can do [activity] here which we couldn't do for 50, because they have such a tight schedule. We can do [experience], we can have different activities for different groups.'* MF20 (rural guided natural heritage experience) consolidated elements of the business to make best use of the limited resources to hand. Superfluous activities that were poorly performing financially were replaced with those which the visitors gained most enjoyment from based on customer feedback: *'Really we are sticking to those experiences, we know they work.'* MF06 (rural activity provider) recognised the difference between resource acquisition and resource utilisation, being aware of the need to alter direction in tandem with the demands of the market: *'It is different in terms of I don't need a whole lot of physical resources...It is how you use the resources that you have.'* Such an ethos exemplifies the importance of the OM in resource reconfiguration and negates any perceived advantage that may accrue from merely stockpiling resources as opposed to their astute deployment.

5.2.6.4 Diversification of the market offering

Many of the OMs grasped emergent opportunities to broaden their tourism offering and expand into different products/ services or reacted to challenging market forces by altering their resource base. MF01 (urban guided activity provider) focused on different segments of the tourism market to diversify the product offering and extend the trading season: *'They [individual tours] run seven days a week, twice a day from March 15th to October 15th. But outside of those times...It is group bookings only.'* Expanding the offering and encompassing different activities was also a focus for MF02 (urban hospitality provider): *'We were looking at lately what can we offer that is different.'* MF14 (rural leisure activity provider) was mindful of the need to have a broad product range so as not to unintentionally alienate segments of the visitor base: *'You always have to cater for the clients that are not going to spend big money or not fortunate to have a lot of money to spend.'* Having different revenue streams were seen as a means of economic survival by MF05 (coastal guided leisure activity provider): *'There are three aspects to my business at the moment.'* Economic survival was also the focus of MF03 (rural/ urban leisure activity provider) as uncertainty within the marketplace prompted a broadening of the resource base: *'We're diversifying because of Brexit and other things at the moment.'*

MF18 (rural guided activity provider) widened the offering by teaming up with local establishments to create a customised package for the tourist: *'We had a [activity] with food and drink and a bus back later and it worked perfect.'* However, MF12 (rural historical site) remarked that broadening the product or service offerings could only be justified if the customers had the opportunity to avail of the enhancements: *'We are tight in two hours to do what we do. If we open a shop they won't have time to go into it.'* MF17 (rural guided activity provider) had a wide range of ideas about how to diversify the tourism offering but had not yet been able to bring them to fruition: *'What I mean by that is maybe market the business, package tours, weekend breaks, get on to accommodation providers...'* The inability to enter into a specific market proved to be the impetus for MF20 (rural guided natural heritage experience) to alter the resource base and target a different sector: *'I had to think fast and then I flipped it and I started visiting the hotels.'* MF21 (urban activity provider) encapsulated the sentiment of many of the OMs who adapted their service base to include a range of activities which augmented the

main business component: *'I wouldn't get rich of what this makes me but will pay some wages. It is another revenue stream.'*

5.2.6.5 Catalyst for resource reconfiguration

The impetus to create innovative offerings came from a variety of sources. New tourism ventures within the region had the effect of presenting to the OMs an opportunity for increased revenue generation, if they could capitalise upon the opportunity. MF02 (urban hospitality provider) reconfigured their offering to take advantage of increased footfall through their premises, as a result of the positive impact of a nearby attraction: *'You are talking about an extra month of business in November, and March...we are working on...putting together a number of packages.'* The instability of the wider macro environment was also a factor for MF03 (rural/ urban leisure activity provider) in the development of new ventures: *'We're diversifying because of Brexit and other things at the moment.'* The catalyst for MF04 (rural/ urban guided activity provider) to create innovative offerings came from an untapped market and the opportunity to develop a service which was lacking: *'But the views from there are absolutely stunning...we were...challenged...could we come up with something...'* Competitive rivalry was the trigger for innovative practices for some of the OMs. MF07 (urban guided activity provider) stated: *'There will always be competition and...it gives you that spurt to want to do it a bit better.'* MF22 (coastal hospitality provider) also utilised competitor activity as the impetus to redefine the tourism product: *'You would keep an eye on ... their reviews if there was anything being offered, you would look online to see what is available.'*

The stark reality of falling income levels motivated several of the OMs to be more adaptive. When asked about the catalyst for new product or service development, MF15 (coastal hospitality provider) quipped: *'Oh, an empty premises kick starts that.'* MF05 (coastal guided leisure activity provider) was equally frank about money being a motivator in the creative process: *'It wasn't making me a good living. So it evolved quite quickly on the second or third year.'* This viewpoint was also shared by MF16 (urban leisure activity provider): *'You look at the figures...and say...it was a bit quiet, we need to do something there.'* Such sentiments were also offered by MF13 (rural guided activity provider): *'If you find things are quiet maybe you need to try and think outside the box.'* In the case of MF06 (rural activity provider) the converse of this was observed, whereby additional income streams from outside the business dampened down the

innovative intent: *'I have other strings to my bow, other money coming in so I don't need to concentrate as hard.'* The desire to generate more sales was the catalyst for MF19 (urban hospitality provider) to embrace new technology within the business and sign up to an on-line booking system: *'I have to say it is great for business.'* MF10 (rural leisure activity provider) was conscious of developing an improved offering to satisfy loyal customers: *'We get a huge amount of repeat business and you just have to keep making sure that your experience is better every year.'* MF23 (rural hospitality and activity provider) used the disruption to family life as the leverage to develop a new venture which was in tandem with the existing offering: *'It doesn't suit me. I have to look at my diary. The house is full, I have no room.'* In contrast, MF24 (rural craftsperson) was motivated to develop new products by the demands of the wider marketplace: *'They [trade buyers] want to see how we are innovating and if we are not they will get cheesed off with us.'*

5.2.6.6 Incremental resource reconfiguration

New ventures arose from small modifications to existing offerings and tended to be gradual in their progression. The paucity of financial resources within micro-firms elicited a risk-averse approach with regard to proposed developmental costs, which may prove fruitless. Where practical, costs were kept to a minimum with the least possible disruption to operating routines or customer enjoyment. For example, MF16 (urban leisure activity provider) was of the opinion that improving the product offering in a small way was preferable to undertaking a major redesign: *'Lots of things work; they just need a different facelift.'* MF03 (rural/ urban leisure activity provider) was keen to embrace new practices but not in a dramatic fashion: *'We try every year to change things a little bit.'* MF12 (rural historical site) also commented upon planning minor improvements to the business: *'I could see us doing it all in...character dress...but they are only little things.'* Incremental changes allowed MF14 (rural leisure activity provider) to offer a new service but it was initially shelved due to financial considerations: *'We knew from the word go probably we should have done it, we did what we could afford when we started.'* MF24 (rural craftsperson) reiterated a gradual approach to modifying their product range: *'We tried something, wasn't happy with it, tried something a little bit different.'* MF22 (coastal hospitality provider) also saw merit in measured adjustments to the current offering: *'It may not be instant but you would work at improving it.'*

5.2.6.7 Challenges of resource rejuvenation

MF07 (urban guided activity provider) perceived little value in a generic tourism offering and believed that there was more leverage to be gained from targeting a niche market: *'For us the whole trick would be to find something else, something that nobody else wants to do, that is a good place to get in.'* Having competitors replicating ideas was an issue for many of the interviewees and as a case in point, MF03 (rural/ urban leisure activity provider) stated: *'We know that we are now targeted in what we are doing.'* MF12 (rural historical site) reiterated this sentiment and believed that it was not feasible to have a competitive advantage if the same resources are available to everyone: *'What is the difference between that site having them [virtual reality head-sets] and us having them.'* MF02 (urban hospitality provider) recognised the duplication of ideas that is prevalent within the tourism sector and highlighted the importance of having an inimitable offering, which was not easily copied: *'They [competitors] are doing exactly what we are trying to do from the point of meals in conjunction with somebody else. But they can't offer...our property is unique...'*

The OMs were conscious of the requirement to maintain a competitive stance and to continually infuse the business with fresh content. MF06 (rural activity provider) didn't articulate the uniqueness of the OM as a defining feature but stressed the value of possessing inherent business wisdom: *'I think it is just a business sense. Some people have it, some people just don't.'* MF04 (rural/ urban guided activity provider) talked about the synergy that his partner brought to the business and how their partnership was an inimitable asset: *'But we have something unique to bring...You can't hire people to do that, it is something unique to [name] and myself.'* MF14 (rural leisure activity provider) continued the theme of creating a distinctive offering which would offer a unique footprint within the marketplace: *'You have to make yourself stand out from the crowd and have something that is a little bit better than your competition.'*

MF07 (urban guided activity provider) realised the multiplicity of similar offerings within the tourism sector; therefore, it was more advantageous to develop some means of differentiating oneself from competitors: *'At the end of the day all I am doing is selling a service.'* The importance of altering the resource base to enhance the customer experience was illustrated by MF11 (coastal historical site) who could see the positive results on repeat visitor revenue: *'The amount of return customers we have is unbelievable...they come back because every year we do something [new].'* MF12 (rural

historical site) adopted a similar approach and advocated continuous renewal as a source of competitiveness: *'You always to try and make it different because we are getting quite a bit of repeat business.'* MF15 (coastal hospitality provider) was also of the mind-set that being different was preferable to being just another tourism provider with little prospect of amassing market share: *'It is just trying to find your little niche...It takes time to find out...where you fit in the whole scheme of things.'* MF22 (coastal hospitality provider) realised the benefit of staying ahead of competitors and the challenges that this posed: *'You want to maintain...and...improve the service. You definitely don't want to go backwards.'* Table 5-12 offers a visual summation of the resource reconfiguration choices facing OMs.

Table 5-12: Resource Reconfiguration Considerations

<ul style="list-style-type: none"> • Curtail development opportunities to align with existing resource constraints 	<ul style="list-style-type: none"> • Reconfigure resources through proactive innovation rather than reactive alignment
<ul style="list-style-type: none"> • Diversification of market offering through resource realignment 	<ul style="list-style-type: none"> • Nascent business opportunities invoke resource audit
<ul style="list-style-type: none"> • Internal and external catalysts foster resource redeployment mindset 	<ul style="list-style-type: none"> • Scarce resources undergo cautious incremental change

5.2.7 Evolution of Senior Tourism Alignment Activities

5.2.7.1 Servicing the senior tourism market

Various themes emerged as to how each firm differentiated themselves from their competitors in terms of providing a senior tourism offering. Attention to detail through exemplary customer service was prevalent across several firms. It was evident from the actions of MF08 (rural leisure activity provider) that tourists derive as much enjoyment from the interactions of the OMs, as from the magnificence of their surroundings. Customer satisfaction was a priority for OMs and ensuring that tourists had an enjoyable time was seen as an essential element of the tourism offering. For example, MF08 (rural leisure activity provider) was not averse to enlivening the atmosphere through well-natured singing: *'I wouldn't be the most tuneful now, you know, but it is a bit of a laugh. It generally leads to a better time.'* MF07 (urban guided activity provider) also engaged with the tourists to leave a memorable impression on them: *'There is the bit of craic and banter [colloquialisms for fun and talking]...they come here to be entertained.'* Exceeding customer expectations was ingrained within the ethos of the OMs. MF04 (rural/ urban guided activity provider) believed in offering exemplary customer service: *'The yardstick by which we want to measure our business, is that ...they get far more than they ever expected from us.'* MF02 (urban hospitality provider) continued this theme and created more than a buyer-seller relationship with their guests: *'We try to provide a service so that is more than just a bed...we try to be ambassadors.'* The personality of the OMs was a strong selling point within a large cohort of the businesses. MF13 (rural guided activity provider) consolidated the image that the OM was a central figure within any micro-firm business: *'In what I am offering it is a lot about you as a person. I am my selling point.'* The responsibility of the OM to be the public face of the operation was also evident from MF16 (urban leisure activity provider): *'It is dependent upon your manner. Lots of people...haven't the manner for it.'* Being personally engaged with visitors was the main competitive differentiator for MF19 (urban hospitality provider): *'I think we have a more personal touch, it is a bit different.'*

5.2.7.2 Enhancing senior tourist expectations

Irrespective of the level of customer engagement or the genial style of the OMs, many of the interviewees were less inclined to cater to the stereotypical image of Ireland and preferred instead to present visitors with unique authentic offerings. Such a tactic was employed by MF12 (rural historical site) by showcasing traditional, unadorned, family life in a rural setting: *'This is a tourist attraction with a heartbeat.'* MF21 (urban activity provider) stated that the objective was not to merely sell a service or product, but to transcend the commercialisation of the sector and instead focus on a deeper connection by promoting experiences: *'You are selling experiences you are not selling [activity], your 20 euros is getting you wonderful landscapes.'* This sentiment was reiterated by MF04 (rural/ urban guided activity provider) who advocated moving away from staged attractions in favour of exposure to the wonders of the natural environment: *'That sort of experience is deeper than just a tourist...it is not your Guinness Brewery, Waterford Crystal, in and out.'* (For the geographical location of each attraction, please refer to the map in Appendix 5). MF11 (coastal historical site) further advocated immersion within local experiences and the need for an authentic offering: *'You are going to meet people ...That's authenticity, so if you can sell authenticity you are on a winner.'* MF07 (urban guided activity provider) advocated a less formal offering, letting tourists enjoy the atmosphere instead of presenting them with an overburdened itinerary: *'Tourists that come here want a bit of craic [fun], to hear about our culture, that is what makes us different from anywhere else in the world.'*

MF22 (coastal hospitality provider) added value to their senior tourism offering by engaging with a neighbouring business to attract more visitors: *'We have linked up with a restaurant in [location] and we promised him we will get custom into him.'* By aligning themselves with a larger organisation, MF20 (rural guided natural heritage experience) was able to generate a reliable source of income for a key part of the trading calendar: *'We have already been booked by these guys from May to October next year.'* MF04 (rural/ urban guided activity provider) was also not averse to forming a synergistic relationship with other businesses: *'We have worked out [a deal] with the [hotel] to target that over 55s bracket and it is a lovely package.'* MF11 (coastal historical site) summed up the strategy in a succinct manner: *'Grouping is the key to survival nowadays; you cannot survive on your own.'* Table 5-13 outlines some of the measures adopted by the OMs to modify their tourism offering to attract the senior tourism market.

Table 5-13: Senior Tourism Alignment Through Resource Modification

Current generic offering	New modified senior tourist offering
<ul style="list-style-type: none"> • Accommodation and activity provision 	<ul style="list-style-type: none"> • Itinerary development, route planning and tailored catering events based around cultural themes
<ul style="list-style-type: none"> • Guided walks and scenic locations 	<ul style="list-style-type: none"> • Shortened routes, walks tailored to accommodate all mobility and ability levels
<ul style="list-style-type: none"> • Historical attraction and amenities 	<ul style="list-style-type: none"> • Targeted afternoon tea, seniors group discount, creating scenic ambient surroundings
<ul style="list-style-type: none"> • Coastal/ inland waterway activities 	<ul style="list-style-type: none"> • Sites selected based upon ease of access. Enhanced attention to detail and level of preparation
<ul style="list-style-type: none"> • Scenic activity in semi-rural location 	<ul style="list-style-type: none"> • Increased levels of customer comfort, reduced access issues, mid-week offers
<ul style="list-style-type: none"> • Guided tour of historical attraction 	<ul style="list-style-type: none"> • Personal interaction, fine dining experience, focus on local culture
<ul style="list-style-type: none"> • Accommodation and catering provision 	<ul style="list-style-type: none"> • Tailored seniors package, mid-week discounts, altered menu

5.2.7.3 Personalising the tourism offering

Where applicable, those OMs that were conscious of the senior market and engaged in physical outdoor pursuits, tailored their product or service and offered a less vigorous, truncated version of their regular activities. Measures included eliminating physically challenging routes; moderating the pace of the excursion thereby ensuring amenities are accessible to those with mobility issues. For example, MF05 (coastal guided leisure activity provider): *‘I am offering the very same thing as I do with the younger groups only it is slowed down a bit really.’* MF10 (rural leisure activity provider) made concessions on operating procedures for senior groups: *‘We would allow the [vehicle] to come down close to the station because if they are not able to walk as well.’* MF07 (urban guided activity provider) was also conscious of amending the offering: *‘That means you allow a bit more time, a lot more understanding and put yourself in their place.’* MF06 (rural activity provider) took a more organisational approach when dealing with seniors: *‘You have to make sure that you have everything prepped for them because they are not always able [to participate in rural activities].’*

There were multiple references to the fact that seniors were perceived to want a packaged offering, eliminating the requirement for them to plan and organise their trip. MF04 (rural/ urban guided activity provider) spoke about this requirement and how it reduced the stress of travelling for many seniors: *‘They don’t have to worry about their bus transfers or about where they are going to eat at night...’* MF15 (coastal hospitality

provider) was equally cognisant of removing uncertainty within the package: *'You are offering dinner, B&B. You have taken a problem away from them, where will we eat? Where...? They like to have things set out.'* MF15 (coastal hospitality provider) was aware that the business needed to mirror the requirements of the customer base and regarded altering the resource base as a means to attain this: *'Sometimes you have to change a chef...You might need a different type of chef to cook for over 55's.'* In other instances the OMs offered targeted discounts, for example, MF21 (urban activity provider) utilised the availability of senior tourists to travel during the quieter periods of the week: *'We are targeting the over 55's tied in with certain times of the year. We have a mid-week offer.'* MF22 (coastal hospitality provider) promoted the ambiance of the location as being suitable for older visitors: *'It is a quiet area, a scenic area...overlooking the beach with tea/coffee biscuits and that.'*

There was the assumption on the part of many of the OMs that a generic offering would suffice and that nationality, rather than individualism, was the overriding influencing factor. The senior market was segmented in terms of both nationality and to a lesser extent, social class. The latter transcended national borders and was a blunt instrument for refining the catchment area from within which the senior tourists were targeted:

...you will find that there are regions in different places that you will attract a seniors market from. There are other regions, for some reason... it could be financial background, it could be a working class area, not being disparaging in any way, but that's what happens. So we wouldn't go to every region, (MF03, rural/urban leisure activity provider).

Such a selective approach was indicative of the fact that not all seniors were financially independent and that age related infirmity was not the only impediment to travel aspirations and/or spending potential when in a specific location. Many of the OMs were likely to amend their product offering based upon the nationality rather than the age of the tourists. A case in point was MF01 (urban guided activity provider): *'I would tailor it slightly to the market, in that the market...not so much their age, but their background.'* As such, it was readily acknowledged that groups from different countries had eclectic historical tastes and OMs had to tailor their offering to maintain the interest of the group: *'They might be coming in from America and say they might like to see a GAA match and we can mould the programme based on what we feel that they would like,'* (MF04, rural/urban guided activity provider).

A similar finding evolved from MF08 (rural leisure activity provider) who was conscious of the most receptive market in terms of revenue generation and visitor enjoyment: *'British when they come over here would love to go on a boat trip...much more so than Irish people.'* Navigating the rich historical tapestry of a guided city tour was influenced by the geographical composition of the tourist group on the day. Care was taken to personalise the excursion and the route and content paid homage to ancestral links, rather than being influenced by the age of the participants. MF01 (urban guided activity provider) explained that: *'If it's Canadians, I point out the links with Newfoundland and Nova Scotia, whereas the English have no interest in that...'* MF19 (urban hospitality provider) was also conscious of nationality rather than age: *'They come on cycling tours and they are mostly from Germany and Holland and some French.'* MF24 (rural craftsperson) similarly viewed visitors through a point of origin lens, rather than categorising them by their life experiences: *'The Americans, they are good to spend...'*

5.3 Key findings from empirical data

Table 5-14 outlines a summary of the main points that have been extracted from the findings chapter. Emergent literary themes are aligned with the corresponding research outcomes that have emerged from an analysis of the findings.

Table 5-14: Summary of Key Findings

Emergent Theme	Description
Seasonality within Cultural Heritage Realm	<ul style="list-style-type: none"> • Ireland’s cultural heritage is an invaluable asset to tourism development • Senior tourists more aligned to culture and heritage than younger counterparts • Seasonal demand variations bestow opportunities and challenges upon OMs • Eliminating seasonality not a panacea for enhancing business performance • Organisational slack during the off-peak season nurtures creative intent
Environmental Impetus for Change	<ul style="list-style-type: none"> • Competitors either mimicking current offering or being copied themselves • Sudden loss of customer base or seasonal off-peak demand fluctuations • Customer feedback and social media ratings • OM personality, acceptance of risk levels or new levels of personal indebtedness • Changes in policy and stakeholder expectations
OM Adaptive Capability Development	<ul style="list-style-type: none"> • HR restraints impede level of adaptive capability engagement • OM’s past successes can lead to a reluctance to embrace an adaptive stance • ‘Fire brigade’ management seen as detracting from business growth potential • Effective operational level capabilities an antecedent to adaptive capabilities
Market Sensing	<ul style="list-style-type: none"> • Market intelligence harvested subjectively from local sources • Mixed responses regarding the efficacy of local and state agencies in identifying future threats and opportunities • Customer intelligence focused on existing contacts, failing to reach potential visitors • Competitor intelligence ranged on a spectrum from indifference to muted collaboration, with many OMs lamenting the transparent nature of the sector
Resource Reconfiguration	<ul style="list-style-type: none"> • New products/ services recognised as a vital asset of business viability • OMs were cautious of altering their existing resource base and did so incrementally to gauge business consequences • Scarce resources prompted OMs to be risk averse and many were willing to forfeit growth in favour of stability
Strategic Fit	<ul style="list-style-type: none"> • Innovative processes frequently modulated by micro-firm resource constraints • OMs were willing to postpone altering their resource base until they could be assured of a desirable outcome, even at the expense of business development • New routines were generally implemented on a trial basis within a short time frame • Strategic planning was ad hoc and if present at all, focused upon yearly increments
Senior Tourism Alignment	<ul style="list-style-type: none"> • Senior tourism engagement was structured around reconfiguring extant routines and processes to accommodate diversity in mobility, interest and demeanour • For many OMs aligning their tourism offering towards seniors required minimal alterations to the existing resource base • The senior sector was regarded as a generic market by many OMs. Others were more proactive and deliberately courted this market as a profitable revenue stream

5.4 Conclusion

This chapter synthesised the rich data from qualitative analysis within tourism micro-firms in the south east of Ireland. The findings indicated the potency of the cultural heritage landscape to attract senior tourists and the impact that servicing this cohort has on current and future resource configurations within the control of the OM. Seasonality impacted upon all micro-firms within the study but with differing degrees of disruptiveness. Developing adaptive capabilities was seen as a requisite for firm survival but OMs were cognisant of maintaining a strategic fit between firm resources and the desired future state of operation. Aligning the firm towards the senior tourism market created challenges and also opportunities for the OM. The next chapter will explore the key research findings and position them within the academic framework of the literature review via a thematic map.

Chapter 6: Discussion

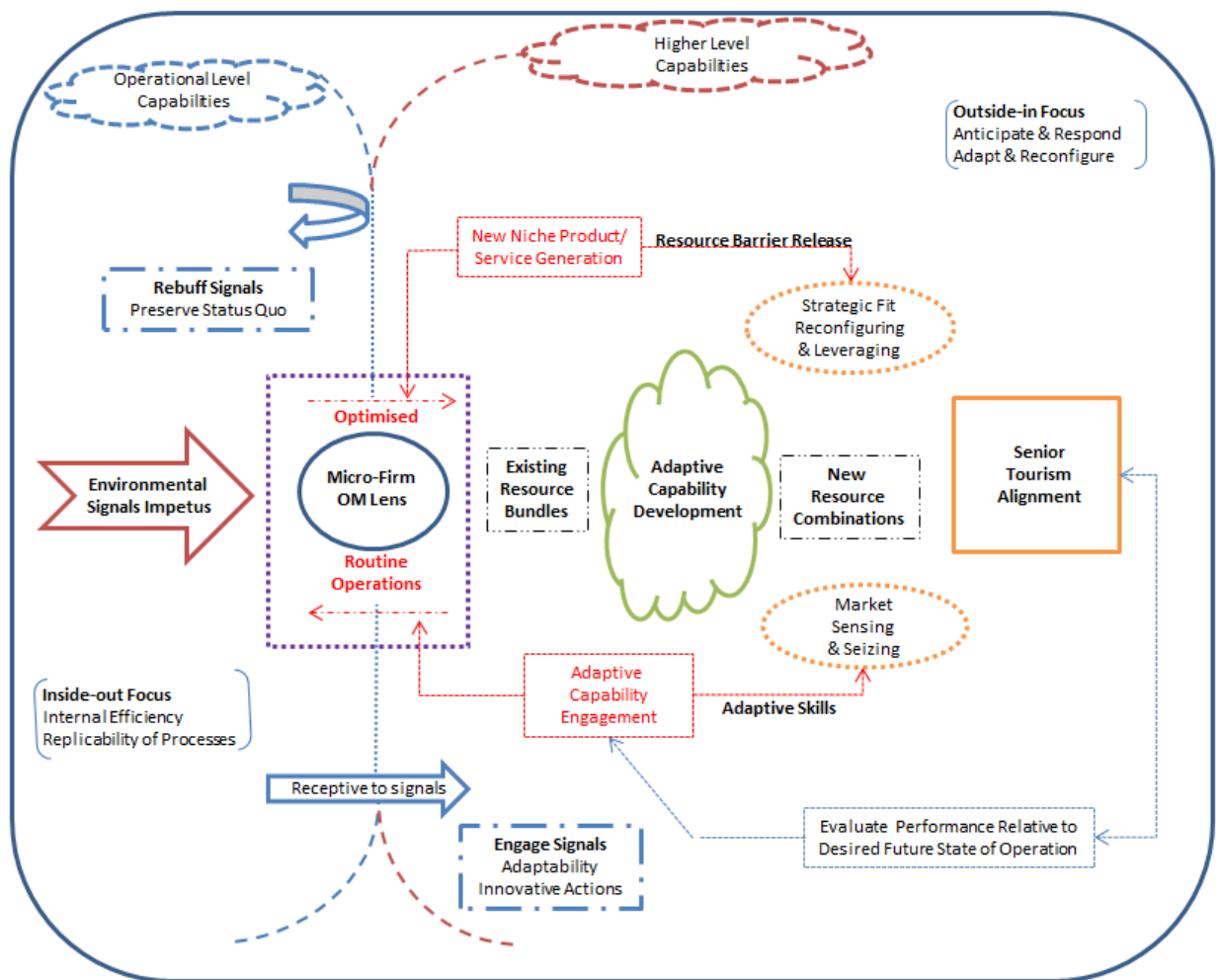
6.0 Chapter introduction

The previous chapter articulated the salient points arising from the 24 interviews within this research study, allowing relevant themes and personal experiences to surface amongst the data. This chapter will intertwine the core concepts from the empirical research with applicable academic literature. It begins by reacquainting the reader with the salient points from the analysis of the primary data and subsequently contextualising the dominant themes from the literature within a thematic map. The remainder of the chapter will theoretically and empirically locate the OM within the realm of tourism micro-firm cultural heritage seasonality and illuminate the importance of both ends of the capability development spectrum. Additionally, the discussion will emphasise the nature and prevalence of strategically harvested market signals and how such information fosters subsequent senior tourism adaptive capability development. Barriers and enablers to this process will be highlighted and the centrality of the OM as a key driver of micro-firm capability development will be documented. In the final section of this chapter the conceptual framework will be revisited, showcasing the transition between subsequent iterations of the framework as the research progressed.

6.1 Research thematic map overview

The thematic map previously presented in Figure 5-1 serves as a graphical representation to signpost the reader through the prominent discussion points of this research study.

Figure 6-1: Research Thematic Map (replicated from Chapter 5)



6.1.1 Summary of core aspects of map

The function of the thematic map is to illustrate the interconnectedness of the literature to the practical environment within which the micro-firm OM operates. It is not the intent to contextualise the entire literature review within the map, but rather to offer a holistic overview of pertinent thematic waypoints while being guided by the research question. The OM is an instigator of managerial decisions (Schaper *et al.*, 2005; Reijonen & Komppula, 2007; Jaouen & Lasch, 2015), a conduit of operational actions (Gray, 2002; Thomas *et al.*, 2011; Campin *et al.*, 2013) and a gatekeeper of tangible

and intangible resources (Morrison, 2006; Phillipson *et al.*, 2006). The OM is also the primary asset within the micro-firm (Schaper *et al.*, 2005; Reijonen & Komppula, 2007; Jaouen & Lasch, 2015) and therefore, it is fitting that this research focus is projected through an OM lens. Routine operations are the preserve of operational capabilities and these enable the firm to trade on a day-to-day basis (Collis, 1994; Winter, 2003). OMs have the option to exist within this operational level realm and to rebuff any environmental change signals that may have been encountered through market sensing. In doing so, the OM preserves the existing state of affairs and generates internal efficiencies through an inside-out focus, which is geared towards streamlining extant routines and processes (Day, 2011).

Of course, OMs do not require adaptive capabilities to elicit change and may engage in ad hoc problem solving or ‘fire brigade’ management (Winter, 2003; Getz & Nilsson, 2004) as a temporary remedial measure. However, an OM that actively senses the marketplace and seizes applicable senior tourism environmental signals, makes a conscious and deliberate decision (Oliver, 2016) to adapt to this new situation through adaptive capability development. Existing resource bundles are redeployed through reconfiguring and leveraging techniques (Wang & Ahmed, 2007; Teece, 2007), which create new resource combinations that better support the desired senior tourism alignment. Barriers to resource reconfiguration are circumvented and there is an appropriate match nurtured between the strategic environment of the firm and the resources to hand (Winter, 2003; Zahra *et al.*, 2006; Sirmon *et al.*, 2007). This outside-in focus (Day, 2011) enables the OM to anticipate emerging trends and opportunities (Claver-Cortés *et al.*, 2007) and to adapt existing resource bundles accordingly (Gibson & Birkinshaw, 2004; Oliver, 2016).

6.2 Cultural heritage micro-firm seasonality

This study is embedded within Ireland’s cultural heritage realm, providing a contextual anchor for the research in terms of hosting an operating environment for tourism micro-firms, while also serving as a vehicle for seasonal demand fluctuations. The decision to locate within this landscape is validated by both academic literature (Gilmore *et al.*, 2007; Cuccia & Rizzo, 2011; Figini & Vici, 2012; Su & Lin, 2014) and empirical findings which acknowledge the potency and allure of cultural heritage to entice visitors. Cultural tourism, as outlined by du Cros & McKercher (2015), is propagated by the cultural heritage assets bestowed upon a particular location and is presented to

tourists in a manner that can be readily consumed by them. This definition acknowledges the peculiarity of the tourism sector as one in which such products are both simultaneously produced and consumed and the intangibility of the offering does not lend itself to the stockpiling of supply (Camisón & Forés, 2015; Evans, 2016). In such a setting, tourism micro-firms adapt their offerings (du Cros & McKercher, 2015) in a manner that facilitates end user engagement with their particular service or product.

6.2.1 Cultural heritage tourism an asset and a liability

The findings illustrated that the cultural heritage environment presented both opportunities and challenges for those OMs that were contributors to the study. From a positive perspective, there was a conceptual and commercial awareness by many of the OMs as to the potency of the cultural heritage realm within which each firm operated and such an ethos concurred with relevant literature (Guiney, 2002; Mehta, 2007; Gilmore *et al.*, 2007; Del Corpo *et al.*, 2008). Micro-firm OMs (MF01, 03, 12, 15, 19) recognised that cultural tourism was an asset (Figini & Vici, 2012) that could attract visitors to the region. The allure of cultural tourism transcends geographic borders, appealing to both international (Su & Lin, 2014) and national (Mehta, 2007) visitors. For example, MF01 readily acknowledged the throughput of both national and international visitors and how future business would be perpetuated in part by word of mouth. Thus, there was an awareness that operating within the cultural heritage realm provided opportunities to attract additional trade (Alén *et al.*, 2014; Borges Tiago *et al.*, 2016) and each OM was afforded the opportunity to adapt to fluctuating demand patterns, as a means of maintaining business viability (Cuccia & Rizzo, 2011; Figini & Vici, 2012). However, while the attractiveness of the cultural heritage domain was an asset to micro-firm OMs, the challenge was that tourists were not evenly dispersed through the region (Fáilte Ireland, 2016a; Department of Transport Tourism and Sport, 2016b), with many OMs lamenting visitor diffusion to the traditional tourism hotspots within Ireland. MF02, 04, 8, 9, 17, 19, 20 were cognisant of the fluidity of visitor footfall, with MF20 commenting that not all regions had the same '*pulling power.*' Thus, the cultural heritage domain offered an impetus for tourists to visit the area, but such a gravitational force was stronger in favour of top billing attractions on the island as a whole (Fáilte Ireland, 2016a). As a consequence, micro-firm OMs were competing both at a local level with rival firms but also on a national level to attract visitors.

A further pressure on micro-firm OMs was that similarly sized and themed firms performed differently regarding their level of engagement with tourists, even though each had similar access to the cultural heritage environment. Such an anomaly transcended the limitations of the RBV, which contends that equitable firms only differ in terms of their capabilities and resources (Penrose, 1959; Wernerfelt, 1984; Amit & Schoemaker, 1993; Peteraf, 1993; Barney *et al.*, 2001). It was found that merely sharing a scenic location or offering a duplicate service was not a universal indicator of success. For example, MF06 was conscious of the fragility of their ability to sustain a continuous level of tourism footfall and differentiate their business in a crowded marketplace: *'If you suddenly find that the customer you had last year is now with your competitor, an alarm bell should start to ring.'* Likewise, MF09 was equally aware of the requirement to adapt their offering in response to competitive pressures from rival firms: *'I know they copy me,'* while MF22 acknowledged that the viability of the firm was contingent upon astute operational practices rather than merely exploiting the benefits of their location: *'You would keep an eye on the pricing.'*

Thus, it was the reconfiguration of extant resources (Zollo & Winter, 2002; Winter, 2003; Teece, 2012) together with an appraisal of prevailing market conditions that differentiated firms at a performance level (Eisenhardt & Martin, 2000; Helfat *et al.*, 2007; Inan & Bititci, 2015). This finding substantiates the dynamic capabilities view that arises from the shackles of a restrictive RBV in terms of merely equating success with valuable, rare, inimitable and non-substitutable resources (Sirmon *et al.*, 2007; Wang & Ahmed, 2007). Equally, such a theme is encapsulated by MF05, who stated that they had sufficient resources and that it was how those resources were subsequently utilised that was the deciding factor in maintaining the viability of the business.

6.2.2 Senior tourists' affinity towards cultural heritage attractions

The contextual nature of the cultural heritage environment also serves as a potent enticement for visitors to engage with the tangible and intangible aspects of the tourism offering. Such cultural tourism is developing in importance, especially so in the case of Ireland (Guiney, 2002; Mehta, 2007; Healy *et al.*, 2016) and heritage attractions resonate favourably with senior tourists (Gilmore *et al.*, 2007; Su & Lin, 2014). Multiple references were made within the primary research regarding the high affinity of senior tourists towards this culture and heritage environment. For example, MF23

commented that younger tourists did not have the same attraction towards culture and heritage as seniors did. A similar assertion that seniors readily gravitated towards the culture and heritage domain was shared by MF01, 03, 06, 07, 12, 15. These findings corroborate comparable sentiments within academic literature (Callan & Bowman, 2000; Huang & Tsai, 2003; Hunter-Jones & Blackburn, 2007) and together strengthen the relationship between senior tourists and the cultural heritage micro-firms.

6.2.3 Micro-firm seasonality in context

Nestled within the cultural heritage domain is the phenomenon of seasonality, which places operational burdens upon OMs with respect to fluctuations in peak and off-peak visitor footfall. By definition, micro-firms employ less than ten full-time employees (European Commission, 2016) and the reality is that on average in Ireland, this number is far fewer (Central Statistics Office, 2018). These aggregate figures are echoed in this study's participant profile (see Table 4-6: Micro-Firm Owner/ Manager Overview, p 101). Micro-firms due to their small size and penury of resources are less environmentally robust than larger enterprises (Irvine and Anderson, 2004) and therefore, each of the 24 firms were impacted upon by seasonal variations within their trading patterns. Thus, OMs shoulder an inequitable burden of the workload both from an operational and a managerial perspective and are under staffed out of necessity, in order to curtail additional employment costs. Seasonality permeates extant literature (Butler, 1999; Lim & McAleer, 2001; Nadal *et al.*, 2004; Koenig-Lewis & Bischoff, 2005; Park *et al.*, 2016) and the ramifications of this phenomenon were evident within the research study. This unequal distribution of tourism demand throughout the year (Allcock, 1989; Higham & Hinch, 2002; Duro, 2016) curtails the survivability and continued longevity of both tourism destinations and related businesses (Connell *et al.*, 2015; Banki *et al.*, 2016). Bar-On (1999) observes that such seasonal demand fluctuations are influenced by natural phenomena and institutional factors. For example, sunlight duration, climate and location comprise the natural anomalies, whereas institutional factors are manifested through trading patterns, the school calendar and social norms (Nadal *et al.*, 2004; Connell *et al.*, 2015; Rosselló & Sansó, 2017). Continuing this theme, Butler (1998) asserts that Western society has a dominant influence on world tourism and this was observable by the impact of the lengthy summer school holidays, which are the most important form of seasonality (Lim & McAleer, 2001). To put this impact of the resumption of the school calendar

into context, MF14 likened this narrowing of demand to the flicking off of a switch; such was the perceptible cessation of regular, dependable tourism footfall during the off-peak season. The challenge for micro-firm OMs is that seasonality also impedes the ability to regularise resources and consequently, firms suffer from insufficient resources during peak periods and experience an underutilisation of capacity during off-peak periods (Butler, 1998; Krakover, 2000; Park *et al.*, 2016; Rosselló & Sansó, 2017).

Maintaining constant operational readiness was problematic for overworked OMs who often had no additional employees to delegate responsibilities to and were compelled to multi-task (Greenbank, 2000; Reijonen & Komppula, 2007; Liberman-Yaconi *et al.*, 2010). MF15 highlighted this predicament by remarking that resources were over-stretched during the busy summer period and became under-utilised with the onset of winter trading, thus making it: '*extremely challenging to try and balance the whole thing.*' Micro-firms that employed additional staff (MF02, 07, 10, 15, 16, 21) had the luxury of being able to delegate tasks (Greenbank, 2000; Samujh, 2011) and so were less fatigued at the onset of the low season. Those micro-firms that operated without any additional employees (MF01, 06, 09, 13, 17, 19, 20, 22, 23), except perhaps ad hoc informal arrangements during exceptional periods of demand, were less well equipped to combat the vagaries of off-peak seasonality. The strain on extant resources (Morrison, 2006; Phillipson *et al.*, 2006) was a recurring theme within the interviews and the OMs welcomed a period of downtime after a busy summer period. MF08 encapsulated this sentiment by remarking: '*Come September I was happy enough to hang up the ropes*' and MF12 added wishfully: '*If you could get, say a month, of just downtime and just be that family again.*'

6.2.4 Opportunities presented by tourism micro-firm seasonality

At this point in the discussion, the effects of seasonality upon culture and heritage micro-firms have been acknowledged in terms of its prevalence within the sector (Krakover, 2000; Koenig-Lewis & Bischoff, 2005) and the negative impacts of the phenomenon (Park *et al.*, 2016; Rosselló & Sansó, 2017). Indeed, Cuccia & Rizzo (2011: p. 589) contend that the adverse impacts of seasonality upon firms '*largely exceed the few benefits.*' However, positive aspects of the off-peak season were evident in the literature and included revenue generation (Figini & Vici, 2012), a reduction in rural unemployment (Cuccia & Rizzo, 2011), socio-cultural rejuvenation (Higham &

Hinch, 2002; Fernández-Morales *et al.*, 2016), environmental and personal recuperation (Baum & Hagen, 1999; Pegg *et al.*, 2012) and access to uncongested infrastructure (Butler, 2001). The predictable pattern of seasonal demand (Lim & McAleer, 2001; Jang, 2004) manifests itself as an advantage and provides for many OMs, the necessary organisational slack which enables practical, strategic and creative operations to be enacted outside of the busy peak trading period (Getz & Nilsson, 2004; Schaper *et al.*, 2005). The findings showcased that some OMs (MF 02, 03, 04, 06, 09, 12, 24) regarded such periods of low demand as a welcome opportunity to foster creative endeavours. For them, the off-peak period was not only a time of personal and professional rejuvenation but it also afforded them the prospect of fostering creative ideas from which to generate new products and services. As an example, MF09 talked enthusiastically about developing new product ideas, MF12 looked towards creating new services and MF02, 03 brainstormed innovative approaches to customer service enhancement. As far as this researcher is aware, the adaptive capability to develop creative intent (Schindehutte & Morris, 2001; Reeves & Deimler, 2011; Biedenbach & Müller, 2012) is not currently recorded as a benefit of off-peak micro-firm seasonality within the literature base reviewed for this study.

A further important outcome that emerged from the research was that although additional revenue from off-peak senior tourism would be welcome, trading all year with their existing set of resources would be counter-productive to many of the micro-firms. As an example, MF12 confessed to being: *'tired of it at this stage'* once they had reached the end of the peak season. Likewise, MF09 was: *'generally quite happy'* to have a period of downtime and MF15 highlighted that they were shouldering additional tasks in an effort to cut staffing costs but that it was detrimental to their wellbeing. Paradoxically, eliminating the off-peak season may not be a realistic option for many resource stretched OMs; but rather, gaining additional economic traction of perhaps a month either side of their existing season may be a more manageable objective. Getz & Carlsen (2005) contend that many tourism micro-firms are prone to operating lifestyle businesses, where the desire of the OM is to fund a certain standard of living. Several OMs (MF05, 06, 08, 12, 13, 17, 22, 23) were satisfied to operate such lifestyle businesses and eschewed expansionary plans focused upon firm growth or an extension of the trading season. This finding was postulated by Gherhes *et al.* (2016), who theorised that not all micro-firms were, or should, be growth orientated. Such

attenuation of entrepreneurial instinct has a negative impact upon profit generation and on building a business empire (Lashley & Rowson, 2010). Revenue generation was not their primary motivator and the OMs weighed up lifestyle choices against economic metrics (Morrison & Teixeira, 2004; Ateljevic, 2009). For example, MF22 was: *'happy with the amount of custom'* that the business was attracting and equally, MF23 had little desire to grow the business: *'If I was younger I would, but not now.'* As such, many of the participant OMs adopted the stance that resource constraints impeded growth aspirations and that they were content to operate within the parameters of their familiar domain rather than seek to combat the negative trading aspects of the low season.

6.2.5 Adaptive OM actions to combat seasonality

The predictability of seasonal demand and the relative certainty with which such impact could be anticipated (Butler, 1998; Lim & McAleer, 2001; Getz & Nilsson, 2004; Jang, 2004) allowed many OMs to chart a corrective course of action. Micro-firm OMs could choose to consciously adapt and develop new resource configurations (Teece *et al.*, 1997; Borges Tiago *et al.*, 2016) or to remain at operational capability level (Collis, 1994; Danneels, 2002; Winter, 2003), waiting for the onset of an increase in tourism numbers (Connell *et al.*, 2015). Those firms (MF1, 2, 3, 9, 11, 14-16, 20-24) that remained open throughout the year were able to utilise this regenerative period to exploit additional revenue streams and diversify their offerings to accommodate an array of market segments and interests. For example, hospitality providers MF02 and MF15 were able to circumvent the traditional downturn in the off-peak period by catering for themed festivals (McEniff, 1992) such as Halloween, Christmas and Easter, thereby infusing additional revenue into a quiet trading segment. Additionally, the craft skills of MF09 and MF24 enabled them to utilise the trading buoyancy from the Christmas period to promote their product range. Although MF03 and 11 indicated that they traded throughout the year, the reality was that off-peak footfall was sporadic and while the OMs maintained a year round business presence, the operational side of the business was reduced to minimise overheads during the low season. Several OMs (MF02, 08, 10, 11, 15, 20, 24) commented on synchronising human resources in tandem with tourism demand, thereby bringing the findings into agreement with the literature (Getz & Nilsson, 2004; Connell *et al.*, 2015; Sastre *et al.*, 2015; Park *et al.*, 2016) regarding fluctuating seasonal staffing levels.

For some OMs (MF01, 14-16, 18, 20-24), the off-peak season was a cyclical affliction which necessitated a reconfiguration of resources in order to maintain viability. Still more OMs (MF04-08, 10, 12, 13, 17, 19), considered the dampening of economic momentum as an unassailable element of their trading year and disengaged themselves from the tourism sector, until the onset of more dependable demand levels. This coping mechanism was evident amongst many of the micro-firms and was seen as a prudent means of alleviating the impact of what Duro (2016) recognised as the distribution imbalance of tourism demand. The prospect of future indebtedness necessitated MF08 to plan an extension to the trading season to prolong the period of revenue generation in order to service loan repayments. Such behaviour illustrated that the OM was gravitating towards strategic adaptive capability development (Lemmetyinen & Go, 2009; Camisón & Forés, 2015) by pushing the seasonal boundaries, rather than morphing into the existing trading period by increasing operational efficiency (Ambrosini & Bowman, 2009). Tourism businesses endeavor to negate the economic penury of the off-peak season by striving to accumulate sufficient financial resources during intensive peak-season trading (Park *et al.*, 2016). Therefore, some micro-firms (MF04-08, 10, 12, 13, 17, 19) only traded for the busier parts of the season and utilised their downtime to pursue external income sources, or to engage in personal rejuvenation and creative engagement.

The findings further highlighted off-season operational problems associated with inclement weather, which was not always amenable to enhancing the tourism experience (Connell *et al.*, 2015; Gil-Alana & Huijbens, 2018). Firms that were outdoor activity dependent were especially prone to adverse off-peak weather patterns (Park *et al.*, 2016). Adapting to this challenge proved difficult for those micro-firms that solely relied upon outside activities for their business model. Those firms that did rely on open-air activities (MF01, 03-08, 10, 12-14, 17, 18, 20, 21) were hampered by adverse autumnal and winter climatic conditions, which tended to detract from the overall enjoyment of the tourism experience (Butler, 1998). In some instances, for example MF08, 10, a practical approach was adopted to counteract the inclement weather by offering blankets, warmth and shielding tourists from the elements as much as possible. In contrast, other OMs adapted their tourism offering (Lim & McAleer, 2001; Nadal *et al.*, 2004) to embrace the poor weather for which Ireland is renowned. MF02 provided laundry services to dry clothes for guests whereas MF04, 13, 17

endeavoured to present inclement weather as an intrinsic part of the Irish tourism experience. MF07 was equally irrepensible, asserting that there was not a problem with adverse weather, merely a poor choice of clothing.

This delivery is noteworthy because it creates a tangible link between senior tourism, the culture and heritage landscape and off-peak visits. It also rebuffs the stereotypical assertion held by many OMs, that all seniors are less able-bodied than their younger counterparts (Moschis, 2003; Patterson & Pegg, 2009; Alén *et al.*, 2014) and that the tourism experience (Gilmore *et al.*, 2007; Su & Lin, 2014) is dependent upon optimum environmental conditions. In contrast, those micro-firms in the hospitality sector or whose activities were internally based (MF02, 09, 15, 16, 19, 22-24) were less operationally impacted upon by the changing seasons and could trade effectively once tourists frequented their establishments. Thus far in the discussion, the contextual aspects of seasonality within the micro-firm cultural heritage domain have been addressed. The next section will focus upon the impact that this environment has upon the ability of micro-firm OMs to assess, adapt and transform their resource base in response to senior tourism market demands.

6.3 Adaptive capabilities in practice

Adaptive capability is defined as making '*adjustments to the business and its strategic focus*' (Schindehutte & Morris, 2001: p. 84) and as the reconfiguring of a firm's activities to meet the demands of the market (Gibson & Birkinshaw, 2004). A somewhat more succinct interpretation is by Rindova & Kotha (2001: p. 1264), who contextualise the term as '*continuous morphing*.' Adaptive capability development is a component of dynamic capabilities and reconfigures existing resources based upon interaction with ordinary level capabilities. Thus, an OM engaging in adaptive capability development takes corrective action to align the business framework with nascent market trends (Gibson & Birkinshaw, 2004; Reeves & Deimler, 2011). Such a course of action is charted through the utilisation of a market sensing and a strategic fit perspective (Zahra *et al.*, 2006; Wang & Ahmed, 2007; Newey & Zahra, 2009). Adaptive capabilities are especially pertinent within resource stretched firms of a small size (Chrysochoidis *et al.*, 2016), due in part to the ingenuity of key decision makers to continuously strive to reconfigure their limited resources in novel ways (Winter, 2003; Sirmon *et al.*, 2007).

A diversification strategy (Reeves & Deimler, 2011) was a key component of many micro-firms in ensuring that the business remained profitable during the off-peak period. OMs (MF01, 02, 16) broadened their target market to generate multiple revenue streams in the hope of sustaining the business during the low season. The observation of MF11 that the business trades for twelve months of the year, but only returns a profit for twelve weeks transcended a well-executed sound bite and illustrated the reality of fluctuating demand upon micro-firm viability. Sporadic income levels increased financial pressures (Jang, 2004; Fernández-Morales *et al.*, 2016) upon OMs and MF07, 17, 18, who were each resigned to incurring trading losses during the off-peak season. Similarly, MF11, 15, 24 deliberately reduced employee headcount (Connell *et al.*, 2015) within the business as a means of reigning in unjustifiable expenditure during periods of reduced demand. Table 6-1 illustrates the range of adaptive capabilities surfaced from extant literature and showcases those and other adaptive capabilities evident within the tourism micro-firms within the study.

Table 6-1: Examples of Adaptive Capability Engagement

Adaptive Capability	OM Adaptive Capability Actions	Literature	Synthesised Adaptive Capability
<p><u>Resource enhancement</u></p> <p>Reconfigure routines to meet changing task environment.</p> <p>Mobilise network resources.</p>	<p>MF20: <i>'I had to think fast and then I flipped it and I started visiting the hotels.'</i></p> <p>MF02: <i>'We were looking at lately what can we offer that is different.'</i></p> <p>MF04: <i>'You've got to be thinking all the time...about what's different about what you are offering.'</i></p>	<p>Chakravarthy (1982); Reeves & Deimler (2011); Gibson & Birkinshaw (2004); Casanueva <i>et al.</i> (2015); Lavie (2006); Schindehutte & Morris (2001); Day (2011); Day (2014); Kaehler <i>et al.</i> (2014); McKee <i>et al.</i> (1989); Rindova & Kotha (2001)</p>	<ul style="list-style-type: none"> • Partnering with other providers to overcome resource deficiencies (MF20) • Reinventing service offering to combat rivals copying ideas (MF02) • Personalising interaction to exceed tourist expectations (MF04)
<p><u>Sense making</u></p> <p>Increased awareness of wider market changes.</p> <p>Respond to external product and market opportunities.</p>	<p>MF15: <i>'I would...be an ideas person and... see things that a lot of other people might not see.'</i></p> <p>MF11: <i>'One comment to you can change the direction of a whole business.'</i></p> <p>MF17: <i>'Social media is where I get my information from. How the market is going up and down.'</i></p>	<p>Chakravarthy (1982); Biedenbach & Müller (2012); Eshima & Anderson (2016); Reeves & Deimler (2011); Ma <i>et al.</i> (2009); Zhou & Li (2010); Chrysochoidis <i>et al.</i> (2016); Dahles & Susilowati (2015); Day (2011); (Day, 2014)</p>	<ul style="list-style-type: none"> • Populating the off-peak period with festivals to combat decreased demand (MF15) • Upgrading facilities to encourage repeat business (MF11) • Creating new services based upon market trends (MF17)
<p><u>Product/ service improvement</u></p> <p>Satisfy and meet changing customer preferences.</p> <p>Redesign resources and processes in response to a changing market.</p>	<p>MF12: <i>'The personal touch is hugely important. We shake everybody's hand.'</i></p> <p>MF22: <i>'You would always want to improve the service that you offer.'</i></p> <p>MF10: <i>'You just have to keep making sure that your experience is better every year...you have to add to it.'</i></p>	<p>Biedenbach & Müller (2012); Reeves & Deimler (2011); Neill <i>et al.</i> (2007); Gibson & Birkinshaw (2004); Schindehutte & Morris (2001); Kaehler <i>et al.</i> (2014); Rindova & Kotha (2001); Day (2011); (Day, 2014)</p>	<ul style="list-style-type: none"> • Exploiting the authentic family business aspect to satisfy customer expectations (MF12) • Social media up skilling due to customer demands (MF22) • Upgrading skills and operational routines to cater for increased demand levels (MF10)
<p><u>Adapt to market trends</u></p> <p>Embrace change and alter strategic behaviour.</p> <p>Make appropriate adjustments to business strategic focus based upon informed situational analysis.</p>	<p>MF16: <i>'We have different times of the year for different types of activities.'</i></p> <p>MF15: <i>'It is just trying to find your little niche... where you fit in the whole scheme of things.'</i></p> <p>MF10: <i>'This year was our learning curve year, so we needed to find out what do people want.'</i></p> <p>MF12: <i>'You always try and make it different because... of repeat business.'</i></p>	<p>Teece <i>et al.</i> (1997); Schindehutte & Morris (2001); Day (2011); Reeves & Deimler (2011); Gibson & Birkinshaw (2004); Eshima & Anderson (2016); Anderson <i>et al.</i> (2015); Ireland <i>et al.</i> (2003); Dahles & Susilowati (2015); McKee <i>et al.</i> (1989); Newey & Zahra (2009)</p>	<ul style="list-style-type: none"> • Reinvigorating tourism offering to combat customer apathy (MF16) • Being receptive to new resource configurations on a trial basis (MF15) • Networking to expand market sensing penetration (MF10) • Utilising off-peak organisational slack for strategic planning (MF12)

6.3.1 Transitioning to adaptive capabilities

The research findings gave an insight into the transit corridor between operational and higher level adaptive capabilities, illuminating tangible and intangible impediments to this developmental journey. Reeves & Deimler (2011) postulate that operational excellence attained through lower level ordinary capabilities is insufficient to enable firms to outperform competitors and therefore, they must utilise higher level capabilities and adapt to changing market expectations. Zahra *et al.* (2006: p. 918) assert that higher level capabilities are the ability of a firm to reconfigure its '*resources and routines in the manner envisioned and deemed appropriate by its principal decision-maker(s).*' It has been addressed that higher level capabilities impact upon lower level operational capabilities (Teece *et al.*, 1997; Winter, 2003; Helfat & Peteraf, 2003) but do so in a manner that is under the deliberate and conscious control (Zollo & Winter, 2002; Zahra *et al.*, 2006; Ambrosini & Bowman, 2009) of the OM.

Micro-firms are flat organisations, thus bestowing upon them decision making agility not found in larger organisations (Lieberman-Yaconi *et al.*, 2010; Baumann & Kritikos, 2016; Gherhes *et al.*, 2016). The findings concurred with this aspect of the literature and there were many examples of lower level capabilities being purposefully reconfigured by higher order adaptive capabilities (Collis, 1994; Winter, 2003; Helfat *et al.*, 2007; Teece, 2007). For instance, MF13 supplementing their resource base by partnering with a neighbouring catering establishment to enhance the customer experience; MF06 alternating the staff rota to maintain authentic engagement with visitors; MF02 adding themed events as a means of attracting repeat business. Such adaptive actions illuminate the transformation of the existing resource base into new dimensions to achieve a specific, predetermined need (Gibson & Birkinshaw, 2004; Reeves & Deimler, 2011). The demarcation between such ordinary and higher level capabilities is not a neat boundary, but rather a '*blurry*' transition (Helfat & Winter, 2011: p. 1243).

Overcoming the inertia to move beyond the operational sphere of capability deployment was fostered at different levels of engagement within OM strategic decision making, although traditionally, small firms do not have formal written strategy statements (Schindehutte & Morris, 2001). Transitioning between lower and higher level capabilities is realised by the OM reacting to various stimuli which trigger a particular course of action. The impetus to execute such endeavours and to be receptive

to higher level capability development, originated both intrinsically and externally to the OM.

The findings illustrated that '*changing demands in the task environment*' (Gibson & Birkinshaw, 2004: p. 209) impacted upon the ability of the OM to overcome the inertia of remaining at operational capability level (Schindehutte & Morris, 2001; Gray, 2002). The decision as to whether or not to invoke adaptive capability engagement has an impact upon the strategic direction of the firm, the management of resources and the ultimate competitive stance within the marketplace (Winter, 2003; Teece, 2007; Helfat *et al.*, 2007). Tangible external stimuli, such as feedback from customers, competitors and marketplace sensing, contributed to OMs reconsidering their strategic position in lieu of available resources. Additionally, intangible internal actors such as available skillset, propensity to embrace uncertainty, the development of an entrepreneurial or lifestyle business and the demeanour of the OM, were found to be potent influencers on the decision to transition between capability level boundaries. The adaptive skills needs are audited and if the OM declines to advance this entrepreneurial practise, then there is no deviation from the day-to-day lower level capabilities (Winter, 2003; Day, 2011). In such a scenario, routine operations are propagated and the firm gravitates towards internal efficiency, through the enhancement of existing routines and processes (Miles *et al.*, 1978; Snow & Hrebiniak, 1980). There is little intent from the OM to alter the daily working environment within the business and to embrace change as a means of repositioning the firm towards a desired future state of operation. If however, the OM is receptive to the signals garnered from market sensing practices (Augier & Teece, 2009), then adaptive capability development is fostered through the firm specific processes (Wang & Ahmed, 2007) of sensing, seizing, reconfiguring and leveraging (Teece *et al.*, 1997; Teece, 2012; Evans, 2016).

6.3.2 Importance of operational capabilities to business viability

The endpoint of this research study positions itself within the realm of adaptive capabilities geared towards micro-firm senior tourism engagement. Extant theory develops the hierarchical concept of capabilities within firms, whereby higher level capabilities act upon lower level operational capabilities to produce new resource reconfigurations (Collis, 1994; Danneels, 2002; Winter, 2003; Zahra *et al.*, 2006; Ambrosini *et al.*, 2009). The key driver of resource transformation is the OM and their importance within micro-firms is articulated in extant literature (Greenbank, 2000;

Kelliher & Reinl, 2009; Samujh, 2011) and this reinforced the decision to project the research study through an OM lens. However, this study derives its focus from the totality of the capability journey and not merely the finality of arriving at the destination of senior tourism adaptive capability development. Therefore, both the lower level operational capabilities and the subsequent higher level adaptive capabilities are viewed with an unbiased lens. Ultimately, higher level capabilities are the goal (Leonidou *et al.*, 2015) of entrepreneurial oriented firms that strive to adapt to the nuances of a fluctuating marketplace (Eisenhardt, 1989b; Collis, 1994; Teece *et al.*, 1997; Winter, 2003; Helfat *et al.*, 2007; Wilke *et al.*, 2019). Arriving at this desired future state of operation (Helfat *et al.*, 2007; Augier & Teece, 2009) is contingent upon fostering and strengthening lower level operational capabilities upon which higher capabilities act (Zollo & Winter, 2002; Easterby-Smith *et al.*, 2009; Schilke, 2014). Operational capabilities are a requisite for developing and maintaining business performance (Inan & Bititci, 2015) and these lower level capabilities can encompass routines, best practice or ad hoc problem solving, but are not in themselves higher level capabilities (Winter, 2003; Teece, 2007; Helfat *et al.*, 2007).

There was strong evidence from the findings that the majority of the OMs placed great importance on the necessity to develop core daily process, routines and operational capabilities as a means of business viability. For example, MF16 provided an indication of a regularised approach to the daily tasks by incorporating itemised lists of responsibilities into the work routine, having '*a checklist for every day.*' Similarly, MF02 stated that the division of labour and '*old fashioned planning*' were an important consideration in the efficient running of the business. MF04 talked about getting the basics right, the '*non-glamorous side*' of the daily tasks, while MF21 was equally conscious of operational efficiency and implemented '*a 27 point plan*' to achieve this. Thus, the findings demonstrated that OMs were able to articulate their operational proficiency and regarded it as an essential element of the management of their business, as they engaged in what Winter (2003: p. 991) describes as '*making a daily living.*'

The findings facilitate a greater appreciation of micro-firm operational level capabilities than is heretofore acknowledged by academic literature. The results illustrate the significance of these day to day capabilities as being instrumental, in not only maintaining the viability of the firm, but also as a logistical and procedural platform upon which to interact with future adaptive capabilities (Inan & Bititci, 2015).

Eisenhardt & Martin (2000) contend that while resources are a vital component of a firm's makeup, it is enterprise level strategic processes and operational routines that are key to the transformation of resources into value formation strategies. Operational capabilities within tourism micro-firms are shown to possess many distinguishable features that mark them as important entities in their own right and are not merely procedural antecedents to higher level adaptive capabilities. Winter (2003) asserts that such operational level capabilities provide the substrate for higher level capabilities to act upon, and are systemic to, the realisation of such a transformation. Newey & Zahra (2009) concur with this assertion and challenge the traditional omnidirectional relationship between lower and higher capabilities by maintaining that lower level capabilities are equally as important as their higher ranked counterparts.

6.4 Remaining at operational capability level

At this point in the research it is worth reiterating the indispensability of the OMs within the micro-firm (Schaper *et al.*, 2005; Reijonen & Komppula, 2007; Jaouen & Lasch, 2015) and how each shoulders the burden of responsibility for their firm's viability and relevancy (Gray, 2002; Thomas *et al.*, 2011; Campin *et al.*, 2013) within a fluid trading environment. Not only is the OM the gatekeeper of scarce resources (Morrison, 2006; Phillipson *et al.*, 2006), but is also the guiding force for transitioning between lower level and higher level capabilities (Brouder & Eriksson, 2013; Duarte Alonso & Bressan, 2014; Gherhes *et al.*, 2016). Invoking adaptive capabilities is an expensive and resource intensive decision (Easterby-Smith *et al.*, 2009; Barreto, 2010) and not all OMs were motivated by, and not all situations warranted, such behaviour (Morrison & Teixeira, 2004; Getz & Petersen, 2005; Ateljevic, 2009). If having utilised market sensing techniques to interpret external environmental signals (Reeves & Deimler, 2011), then the OM has the option to keep the firm at operational capability level (Collis, 1994; Winter, 2003; Helfat *et al.*, 2007), rather than undertake higher level adaptive capability engagement.

Maintaining the firm at this lower capability level rebuffs the external signals from the environment and perpetuates an inside out approach (Day, 2011) to market awareness by upholding the status quo (Winter, 2003). In such a scenario, the OM is content with maintaining internal efficiency and the preservation of routine operations, to the exclusion of higher capability encroachment (Winter, 2003; Teece, 2007). The findings revealed that not all OMs had the desire to surpass operational capabilities and

cultivated an ethos of functional efficiency amongst day-to-day operating routines, rather than strategising to guide the business to a level of higher capability deployment. For example, MF01, 05, 08 19, 23 were at an advanced stage of their working careers and were content to maintain the viability of the business in its existing form, rather than driving profitable growth. This was a conscious stance to follow a plateauing or perhaps even a declining trajectory. These OMs rebuffed the environmental stimuli and consciously decided to maintain the existing state of affairs. Other OMs, for example MF06, 12, 22 operated lifestyle businesses and once an appreciable level of income was generated relative to the needs of the OM, then they were satisfied with the results. However, there was a third category of OM for whom business development was aspirational, but they did not possess the necessary skills to pursue this endeavour. MF13, 17 were seasonal traders and although they both could identify possible avenues for additional off-peak revenue sources, neither had been able to bring such intent to fruition. Firms that remained at operational capability level, nurtured an ‘inside-out’ focus (Day, 2011); market sensing, if enacted at all, was myopic and the advancement of internal efficiency, rather than market effectiveness, took precedence.

6.4.1 Eschewing higher level capability development

Developing adaptive capabilities is a deliberate and repeatable process (Ambrosini & Bowman, 2009); one which is heavily resource dependent (Zollo & Winter, 2002) and can be disadvantageous if the wrong capabilities are selected (Collis, 1994; Helfat *et al.*, 2007; Teece, 2007). Their development is not an immediate panacea for organisational incongruities (Collis, 1994; Almor & Hashai, 2004) and higher level capabilities are irrelevant at enterprise level because they are disconnected from the daily routine of functional efficiency (Augier & Teece, 2009). Adaptive capabilities are future orientated and are not viable for situations where prompt remedial action or a ‘quick fix’ is required (Zahra *et al.*, 2006). Similarly, higher level capabilities are expensive, a drain on resources and must be frequently renewed to maintain their effectiveness (Easterby-Smith *et al.*, 2009; Barreto, 2010). Thus, the question arises as to whether or not firms need to develop higher level capabilities to combat every change situation or may instead utilise less structured, temporary solutions on an interim basis (Winter, 2003; Getz & Nilsson, 2004; Helfat *et al.*, 2007; Teece, 2007). MF02 suffered substantial revenue losses at the beginning of the recession (2007/8) and consequently employed a ‘fire brigade’ management style, of targeting all business

segments in an effort to win new custom. However, it became apparent that this was not satisfactory: *'We tried to look at everything, tried to look at every business and that didn't work.'* Equally, MF20 deployed ad hoc problem solving and utilised several business avenues to inject start-up revenue into the fledgling business. This gave a temporary revenue cushion but was impracticable from an operational perspective and spread existing resources too thinly: *'We kind of wanted to do as much stuff as we could, so we hit everything...to try and make it work.'*

The literature offers a distinction between attaining competitiveness through strategic flexibility and higher level capability development, which Rindova & Kotha (2001: p. 1273) term *'continuous morphing'* and reacting to sectoral rivals through ad hoc problem solving or benchmarking industry best practice. The latter approaches are reactionary, whereby the firm mirrors the competitive positioning of opponents rather than forging their own competitive path (Winter, 2003; Teece, 2007). Some firms may function more efficiently by merely engaging in ad hoc problem solving or 'fire brigade' management (Winter, 2003; Getz & Nilsson, 2004; Schreyögg & Kliesch-Eberl, 2007), thereby solving an immediate and prescient problem without incurring the difficulties and costs associated with dynamic capability development. This was evident from MF02, 20 who initially attempted to grow the business by engaging with many different revenue streams, only to discover that this was not a viable long term strategy and one which placed unsustainable demands upon existing scarce resources. This short term 'fire brigade' management style was sufficient to launch the business initially without committing resources to the upkeep of higher level capabilities. The perpetuation of higher level capabilities have associated resource and outcome costs attributable to them and are both expensive to develop and impossible to maintain indefinitely (Teece *et al.*, 1997; Zollo & Winter, 2002; Winter, 2003). Thus, there is the requirement to continually reinvent or reenergise higher level capabilities through the lifetime of the business (Rindova & Kotha, 2001; D'Aveni *et al.*, 2010).

Not all businesses benefit from higher level capability deployment (Collis, 1994) and developing the wrong capabilities detract, rather than add, value to the business (Teece, 2007). The findings showcased instances where the adaptive capability of customer experience enhancement through product/ service improvement was the incorrect choice and placed unexpected pressures on the underlying operational capabilities resource base. For example, MF11 introduced the option of formal afternoon tea for

senior tourists within their establishment. The OM had intended to enhance the customer experience with an authentic offering (Park *et al.*, 2019) but the ambience of the room and access to it was not conducive for visitors: *'We spent so much time on this and we made an unholy mess of it...the tea was perfect...The gardens were perfect. We killed ourselves on access.'* Likewise, MF12 spoke about adding an additional activity to augment their existing offering but it proved to be a drain on resources and was ultimately discarded. Zollo & Winter (2002: p. 340) assert that adapting *'in a creative but disjointed way to a succession of crises'* does not constitute higher capability engagement. Higher capability development is a purposeful and intentional alteration of the firm's resource base (Ambrosini & Bowman, 2009) and as such, it is not one-off unstructured erratic problem solving (Winter, 2003; Helfat *et al.*, 2007; Schreyögg & Kliesch-Eberl, 2007). Teece (2016: p. 210) differentiates between both approaches by theorising *'ordinary capabilities are about doing things right, dynamic capabilities are about doing the right things, at the right time.'*

There were also instances when ventures failed because of insufficient attention to detail at operational capability level. Lower level capabilities are impacted upon by higher level ones but if such lower level operational capabilities are not sufficiently established, then higher level capability development is compromised. For example, MF12 originally offered horse riding to their guests but it proved to be logistically challenging and unpopular with visitors: *'We just stopped that and concentrated on what was working.'* Likewise, MF14 initially operated a family orientated activity within their existing business. However, it soon became apparent that younger clients had the potential to cause the business substantial losses beyond the modest entry fee paid, by unintentionally causing damage to existing resources. Therefore, a separate segregated facility was constructed for younger customers that allowed them to interact within their own environment. Equally, MF15 endeavoured to provide new services and increase customer satisfaction by accommodating coach tours within their establishment. A weak operational base hampered by a lack of parking, insufficient dedicated dining areas and logistically challenging split-level architecture, resulted in the adaptive behaviour being counterproductive. In each case, the operational details were not sufficiently refined and the OMs failed to possess the requisite skills to effectively manage their resource portfolios (Sirmon *et al.*, 2007).

6.5 Sensing the senior tourism marketplace

Thus far, the emphasis within the discussion has been upon the ability of the OMs to adapt to observed stimuli by transforming their resource base. The antecedent to such adaptive capability engagement is the sensing and filtering of market signals and the receptive channels employed to achieve this. Miles *et al.* (1978) argue that most firms constantly re-evaluate their interaction within the external environment and strive to develop and maintain a viable market for their goods and services. Adaptive capability engagement emerges from the market sensing capabilities (Wang & Ahmed, 2007; Reeves & Deimler, 2011) deployed by the OM and its development arises from the decision whether or not to seize upon these signals and subsequently reconfigure new resource combinations (Eisenhardt & Martin, 2000; Newey & Zahra, 2009). Such environmental scanning is processed through customer interactions, tentative links with competitors and by deliberate engagement with external agencies and the wider social/print media platform (Day, 1994; Morgan *et al.*, 2009). Existing routines and processes were then optimised in line with current resource allocations and the strategic ethos of the firm. Firms may use such market sensing to explore niche sectors currently not serviced by existing competitors and to identify under-utilised market segments (Slater & Narver, 2000).

The findings illustrated that this sensing routine comprised of three main channels which the OMs responded to, in endeavouring to monitor and evaluate market signals. Sensing the external environment yielded pertinent information from customers, competitors and wider market trends, thereby enabling the OM to interpret these signals according to their level of entrepreneurial intent. This corroborated relevant market sensing literature (Day, 1994; Ma *et al.*, 2009; Morgan *et al.*, 2009) which included customer feedback, competitor intelligence and emergent industry trends, as indicators of external influences. Micro-firm OMs are in close proximity to their customer base (Lieberman-Yaconi *et al.*, 2010; Gherhes *et al.*, 2016) and by championing both operational and managerial roles (Gray, 2002; Thomas *et al.*, 2011; Campin *et al.*, 2013), are in a unique position to harvest first-hand intelligence from their customers. Many OMs pride themselves in their personal interaction with each tourist, with MF02 stating: *'Because we are a family owned business, we actually spend time with our guests.'* MF07 gauged the effectiveness of their operation by interacting directly with visitors: *'It is very simple, they tell you.'* Similarly, MF12 looked towards non-visual

cues and MF05 monitored visitor footfall levels through their premises. This approach has merits in terms of gauging customer satisfaction and enhancing the tourism offering. Feedback in such instances is immediate and mostly always gets directed towards the OM. However, in some instances, the findings showed the ease of access which many OMs have with their customer base is resulting in a narrow, historical account of environmental trends because only current and past customers are included in this sensing exercise. For example, MF01, 04, 05, 08, 10, 12, 15 cultivated strong customer awareness and relied upon current footfall as an economic barometer to predict future developments. MF10 gauged market trends by sensing: ‘...*the amount of people that actually book and if you lose them.*’ Therefore, while micro-firm OMs are closer to their customers in a manner unaccustomed to in larger firms (Middleton, 2001; Gray, 2002; Campin *et al.*, 2013) and although this type of real time data is easily acquired, it is historical in the sense of validating the symptoms rather than illuminating the cause of the firm’s poor performance.

The widest penetration of market sensing occurred when OMs utilised a holistic approach and also engaged with competitors and the broader business network (Day, 1994). The proliferation of rival firms within the tourism sector is systematic of the low entry and exit barriers applicable to the industry (Getz & Carlsen, 2005; Evans, 2016). MF13, 14, 16-19, 21-23, were cognisant of sectoral activity and also observed rival firms to evaluate the efficacy of competitor offerings. For example, MF22 mentioned monitoring rival websites and pricing levels as a means of tapping into local tourism trends. The happenings within the wider environment were examined via print and electronic media and through interaction with state agencies, tourism development bodies and industry specific trade shows. MF02, 03, 06, 09, 24 kept up-to-date with nascent trends through involvement with state agencies and tourism orientated trade shows and exhibitions, while MF04, 10, 11, 21 utilised this resource effectively and perceived Government bodies as a rich source of upcoming market intelligence. Being in a position to make informed decisions about current and prospective markets (Day, 1994) bestows upon the OMs a superior knowledge of market forces (Morgan *et al.*, 2009) which is a necessary component of higher level capability development (Eisenhardt & Martin, 2000).

6.5.1 Matching resources to the strategic ethos of the firm

Day (1994: p. 43) encapsulates the relevance of market sensing by emphasising that it is *'to continuously sense and act on events and trends in present and prospective markets.'* Armed with this superior market knowledge (Morgan *et al.*, 2009) OMs have the potential to outperform their competitors (Olavarrieta & Friedmann, 2008) by identifying untapped sectors not serviced by rival firms (Slater & Narver, 2000). While there is merit in discerning a niche market or nascent trend (Morgan *et al.*, 2009), it is also incumbent upon the primary decision maker to strategically evaluate such knowledge as an antecedent to higher level capability development (Eisenhardt & Martin, 2000). It is equally prudent for the OM to preserve the limited micro-firm resources at their disposal (Aragón-Sánchez & Sánchez-Marín, 2005; Liberman-Yaconi *et al.*, 2010) through consideration of the alignment between firm structure and intended strategy (Lynch, 2009). For instance, MF02 was cognisant of the constraints on the business and what would be achievable in their circumstances. MF14 exercised measured deliberation: *'I wouldn't make a rash decision on it'* and MF18, 21, 22 adopted a trial and error approach, thereby minimising potential resource losses on unsuccessful ventures. This strategic fit is acknowledged by Johnson & Scholes (2002) as the concept of adapting resources and competencies to maximise targeted opportunities. Wang & Ahmed (2007) further expand upon this concept by asserting that the development of capabilities is governed by the strategic direction of the firm and Zajac *et al.* (2000) recognise the importance of strategic fit in mirroring environmental trends.

Thus, the signals garnered from the marketplace, either from customers, competitors or the wider environment (Ma *et al.*, 2009; Morgan *et al.*, 2009) are audited against the OM's strategic ethos of the firm and the available resources and capabilities (Lukas *et al.*, 2001). The findings highlighted that strategic fit amongst the micro-firm OMs was governed by tangible and intangible elements. Tangible factors were identified as lack of space (MF22), poorly designed architectural layout (MF15), health and safety impediments to route changes (MF10) and public access to buildings restricting tour times (MF01). Weather considerations also curtailed strategic delivery of resource enhancements, as alluded to by MF04, who questioned the wisdom of developing new out of season offerings during the winter months. Similarly, due to safety concerns MF13, 17 could not countenance additional activities during inclement weather.

Miles *et al.* (1978) argue that most firms constantly re-evaluate their interaction within the external environment and strive to develop and maintain a viable market for their goods and services. Schindehutte & Morris (2001) observe that small firms do not have formal written strategy statements but rather a vague intent, which may have to be deduced from their behavioural patterns and how resources are allocated. The extent to which environmental adaptations were incorporated into the firm were also influenced by intangible factors such as the entrepreneurial motivation of the OM. Micro-firms such as MF05, 13, 19, 23 were content to engage with several tourists a day, with MF19 saying: *'It is enough for me. Plenty of the other people around would take loads [of customers].'* Conversely MF02, 10-12 could comfortably handle several coach loads of tourists daily. The defining factor for each was the resource capacity of the firm and at what level the resource ceiling was placed, beyond which customer engagement became impracticable (MF02, 05, 15), impersonal (MF04, 08, 12) or unsafe (MF05, 10, 13, 18). Lifestyle choices also moulded the fit of potential opportunities, with MF05, 08, 19, 22 taking the least impactful course of action to minimise both disruption to the business and financial outlay.

Ireland *et al.* (2003) posit that practicing a cautionary approach is the preferred method by managers not wishing to jeopardise the stability of the business. Micro-firms are also prone to incremental innovation (Faherty & Stephens, 2016; Mellett *et al.*, 2018) and shun radical changes to their resource base (Baumann & Kritikos, 2016). As such, any new improvements made to the businesses tended to be incremental and cautious in nature, balancing the expected financial outlay and return on investment, against the possible disruption to existing routines and processes. Thus, a poor strategic fit resulted in a curtailment of the original sensed opportunity, or an outright rejection if the concept did not satisfy the assertion of Lynch (2009), to align firm structure and strategy. This inside-out approach (White *et al.*, 2012) was evident from MF10 who stated that: *'...if it doesn't work for us, it won't work for our customers.'* The desired future state of operation of this study is the development of senior tourism capabilities and these will be addressed within the next section.

6.6 Senior tourism adaptive capability development

This research is premised upon the fact that senior tourism engagement within the off-peak period is an amenable proposition (Callan & Bowman, 2000; Huang & Tsai, 2003; Hunter-Jones & Blackburn, 2007) and that tourism OMs, if they so desire, have unique access to this customer group. Therefore, OMs are presented with a niche market and the onus is on each decision maker as to the level of engagement to be deployed in servicing such a demographic base (Thomas & Thomas, 2006; Dahles & Susilowati, 2015). The senior tourism market engages with this research study on several different levels. Primarily, it is a vehicle to extend the trading season into the off-peak period (Claver-Cortés *et al.*, 2007). Secondly, it represents a growing subset of the population (Paarup Nielsen, 2006; Le Serre, 2008; European Commission, 2015a) and one which will increase in both size and economic importance within the coming years (Sudbury & Simcock, 2009; Le Serre & Chevalier, 2012; Ward, 2014), thus representing a lucrative untapped additional revenue stream (Eurostat, 2015a; United Nations World Tourism Organisation, 2015; United Nations, 2015).

Additionally, senior tourism is an agreeable receptacle for adaptive capability development (Claver-Cortés *et al.*, 2007), whereby OMs reconfigure their existing resource base (Ambrosini & Bowman, 2009; Denicolai *et al.*, 2010) in tandem with market expectations and the resource constraints of the firm (Lavie, 2006; Reeves & Deimler, 2011). Finally, it may be considered a desired future state of operation (Evans, 2016) for those culture and heritage micro-firms wishing to target such a niche demographic sector. Whatever avatar senior tourism aligns to, there are a number of core findings arising from the analysis of the primary data which illustrate a diverse spectrum of engagement amongst OMs. There is an acknowledgement within the literature that not all seniors have the resources, ability or inclination to embark upon foreign excursions (Ryan, 1995; Sedgley *et al.*, 2011; Morgan *et al.*, 2015). Nevertheless, this research study is focused upon tourism micro-firms engaging with those seniors, both national and international, that are already within the island of Ireland, rather than theorising on the propensity of all seniors to partake in tourism. MF22 nurtures this contention by asserting that those tourists that are part of the tourism landscape have travelled to get here and therefore are not unduly financially or physically challenged.

To capitalise upon these trends, Alén *et al.* (2016) assert that the tourism sector is emerging as a primary beneficiary of the rise in senior numbers and their innate desire to travel in the pursuit of enriching experiences. The 24 micro-firms within this research study were selected based upon their culture and heritage affiliation and their ability to engage with the senior tourism market as an additional revenue stream. All of the interviewees identified a portion, or in some cases almost their entire customer base, as being derived from the senior demographic sector, Table 6-2. MF 02-04, 06-08, 10-12, 14, 15, 21 had a strong deliberate senior tourism focus (Ward, 2014) and this was evident by the high level of customer interaction and the continual attention to detail (Gibson & Birkinshaw, 2004; Wang & Ahmed, 2007) provided by each micro-firm. Therefore, senior tourism was not a new phenomenon within the sample population and all OMs were conscious of this particular market segment. Six of the micro-firms with a deliberate senior tourism focus, traded all year (MF02, 03, 11, 14, 15, 21), whereas a further six traded only during the busier months (MF04, 06-08, 10, 12). The findings demonstrated that deliberate senior engagement did not necessitate a profound strategic change of direction or extensive resource reconfiguration for any of the micro-firms and thus, there perceived to be no unsurmountable operational impediments to targeting this market. Although senior tourism was a universally accepted concept amongst the OMs, in practice, it was less well embraced.

Table 6-2: Micro-Firm Level of Senior Tourism Engagement

Predominantly senior customer base	Deliberate, tailored senior tourism focus	Generic tourism focus covering all age groups
MF01, 03, 06, 08, 09, 12, 19	MF02, 03, 04, 06, 07, 08, 10, 11, 12, 14, 15, 21	MF01, 05, 09, 13, 16, 17, 18, 19, 20, 22, 23, 24

Table 6-2 depicts two different levels of intensity regarding each OM’s commitment to servicing the senior tourism market, with half of the sample group actively channelling their efforts into delivering a specific senior tourism offering. Although the literature acknowledges that seniors are not a homogeneous group (Shoemaker, 1989; Horneman *et al.*, 2002; Caber & Albayrak, 2014; Borges Tiago *et al.*, 2016), the multiple interpretations collated from the research respondents suggest otherwise. Interestingly, not all the micro-firms that admitted to enjoying a predominantly senior customer base were actively servicing it, even though the senior cohort is transitioning to become a formidable demographic force (González *et al.*, 2009). There was an unfounded

reticence to provide tourism services and products tailored specifically towards the senior market (MF01, 09, 15-18, 21, 24), with many of these OMs delivering a generic offering rather than customising it towards seniors. MF01, 09, 19 failed to appreciate the development potential of the senior market (Claver-Cortés *et al.*, 2007; González *et al.*, 2009; Chen & Shoemaker, 2014) and harvested passing trade, rather than cultivating a niche growth base. The senior tourism offering was unimaginative and encompassed a response that ranged from generic to geriatric; either too little was done to personalise the service/ product for a more mature gathering, or stereotypical inferences were created that all older tourists are infirm with reduced mobility. For example, MF20 recounted planning a less strenuous route for seniors, MF05 acknowledged that perhaps physical infirmities may mean that some seniors ‘...won’t make the grade,’ while MF01 offered a shortened tour as a revised senior tourist package. Where schedules were mentioned, they tended to be presented as relatively sedentary, truncated and revolving around an almost obligatory tea/ coffee/ scones offering. MF05 put this into perspective by stating: *‘I am offering the very same thing as I do with the younger groups only it is slowed down a bit really.’*

Unsurprisingly, many of the senior tourism offerings were abridged versions of regular services, which did little to cater for the non-stereotypical, more active senior tourists (Horneman *et al.*, 2002). This mind-set ignores the European Union entry point of 55 years (European Commission, 2015b) to the senior realm and superimposes geriatric ailments befitting an upper age range on the tourists. Such actions also run contrary to Chen & Shoemaker (2014) who outline that in most cases seniors do not envisage themselves as being old and it is inadvisable to label this group as overtly elderly. Instead, the findings agreed with Horneman *et al.* (2002), acknowledging that the senior moniker may wrongly be interpreted as representing a person of advanced years, because by inference, such as person is less agile and has mobility impairment. For some of the OMs (MF02, 06-08, 14) their inclination would be to cater for the senior market in preference to the younger sector. However, announcing a list of positive attributes did little to disguise the fact that the senior market was overlooked by many of the OMs, with many paying lip service to the economic benefits (Paarup Nielsen, 2006; Gilmore *et al.*, 2007; Borges Tiago *et al.*, 2016) accruing from senior tourism engagement.

A strong empirical undercurrent to emerge within the findings was the extent to which many of the OMs perpetuated stereotypical assumptions regarding the lack of diversity within the senior market. This market segment was inevitably labelled as ‘old’, even though each OM was cognisant of the parameters of the research study which assigned the term ‘senior’ to those aged 55 years and upwards. For example, MF01, 07, 17, 18, 22 equated the term with failing health and restricted movement: *‘There are ... mobility issues, they tend to be slow’* (MF07). There were exceptions amongst the OMs that readily acknowledged the heterogeneity of the group from a healthcare aspect, such as MF02, 03, 04, 06, 22, with MF06 acknowledging: *‘Some of the over 55s are more physically capable than others.’* Extant literature (Moschis, 2003; Patterson & Pegg, 2009; Alén *et al.*, 2014) cautions against perpetuating homogeneity amongst seniors, but in defiance of this, there were instances of some OMs regarding this demographic sector as a collective group with similar interests. This was illustrated by the comments of MF02, 15 who alluded to seniors travelling in groups and it was interesting to note that this was the dominant theme amongst many of the OMs. Similarly, it was perceived that all seniors wanted package holidays, with their days planned out and with minimal personal input into their itineraries. This is in contrast to a body of literature (Alén *et al.*, 2012; Chen & Shoemaker, 2014; Kim *et al.*, 2015) which regards the senior market as a vibrant entity and one that should not be underestimated in terms of economic benefits or diverse interests and abilities.

6.6.1 Differentiating the senior tourism market

The senior market was differentiated in terms of perceived ability, mobility and travel interests (Shoemaker, 1989; 2000; Sedgley *et al.*, 2011; Ward, 2014), with many OMs altering their offering to cater for variations in national tastes and interests. This reluctance by many of the OMs to recognise the diversity of their customer base concurs with the academic assertion that the senior sector is a relatively young phenomenon (Moschis, 2003; Nicholls & Mohsen, 2015). Even though Moschis *et al.* (1997) theorise that the senior sector gained prominence amongst marketers during the mid-1980s, it would appear from the empirical research that this cohort has evaded precise market segmentation within the culture and heritage micro-firm sector. This anomaly may be influenced by Fáilte Ireland, who segment international visitors to Ireland more in terms of nationality rather than age. For example, *‘culturally curious’* is the category of visitors referred to on their website (Fáilte Ireland, 2016b) that pertains

to the older demographic. The term is elusive and encompasses all individuals aged from their mid-40s upwards, clearly failing to demarcate seniors as a separate entity of disparate needs, interests and abilities. In some respects this ambiguity in defining a specific senior age range is mirrored by academic literature (Littrell *et al.*, 2004; González *et al.*, 2009; Jang & Ham, 2009; Caber & Albayrak, 2014; Chen & Shoemaker, 2014) where a senior demographic threshold consensus is equally elusive. Many of the OMs similarly viewed the senior market through a point of origin lens, tailoring their services to cater for cultural idiosyncrasies and eclectic national interests. As such, MF19 recounted adventurous visitors being from ‘*Germany and Holland*,’ MF01 weaved historical lore differently for Canadians rather than for English citizens and MF24 acknowledged that Americans were ‘*good to spend*.’ A unifying factor amongst all seniors irrespective of nationality was their desire to enjoy their experience and MF10 synthesises this sentiment by stating: ‘*They want the same thing really...a bit of fun and to do something different...*’

Recognising the potency of the senior market (Le Serre, 2008; González *et al.*, 2009; Sudbury & Simcock, 2009; Ward, 2014) through the entire calendar year would enable those OMs who have yet to capitalise on this sector, to readily appreciate the untapped off-peak revenue potential (Callan & Bowman, 2000; Huang & Tsai, 2003; Hunter-Jones & Blackburn, 2007). MF18 (rural guided activity provider) stated that the senior market was overlooked because business was being generated from other demographic sectors. This relegates senior tourists to the least preferred option amongst many OMs, despite the fact that all those interviewed were well versed in the benefits of dealing with such a cohort (Melián-González & García-Falcón, 2003; Borges Tiago *et al.*, 2016). The research findings highlight the year wide transparency of the senior market amongst many of the micro-firm OMs, which becomes more problematic during the off-peak period, as the challenging aspect of seasonal variations in demand become apparent (Cuccia & Rizzo, 2011; Connell *et al.*, 2015; Duro, 2016).

6.6.2 Adapting to future tourism policy direction

Current Irish tourism policy advocates a departure from the traditional bedrock of staid cultural appropriation and towards a vibrant immersive tourism experience (Fáilte Ireland, 2016e). The ‘*hazy green image*’ and the ‘*warm welcome*’ (Fáilte Ireland, 2016e) are cultural remnants of a bygone era, which Fáilte Ireland is endeavouring to supplement with a more interactive experiential policy framework (Fáilte Ireland,

2017e). Extant literature (Sudbury & Simcock, 2009; Le Serre & Chevalier, 2012; Ward, 2014) acknowledges that modern tourists are more sophisticated and better travelled than prior generations (Sudbury & Simcock, 2009; Le Serre & Chevalier, 2012; Ward, 2014) and seek authentic cultural experiences in place of contrived commercial connotations (Mehta, 2007; Falk *et al.*, 2012; Park *et al.*, 2019). Interestingly, the concept of authentic engagement, rather than passive consumption (Butler, 1998; Cooper *et al.*, 1998) of the tourism product/ service was a prominent factor amongst many of the OMs. For example, firms such as MF01, 03, 04, 07, 12 were cognisant of the importance of immersing tourists within local cultural offerings (Falk *et al.*, 2012; Mei, 2014) and actively engaged in jovial banter with them, providing a direct connection between the tourist and the tourism landscape.

MF11, 21 were more vocal about how they adapted their offering to personalise the tourism product. MF11 talked about selling authenticity (Falk *et al.*, 2012) as a means of enhancing their senior tourism offering and MF21 commented upon trading in experiences, rather than in purely financial transactions (Cooper *et al.*, 1998; Guiney, 2002). This quest by the senior tourism sector to engage with authentic offerings was well documented within the interviews and provided the astute OM with a powerful template within which to develop a potent tourism offering. From an OM perspective, looking towards additional revenue streams, the senior tourist presented as an eager and available participant within the strategic framework. The challenge for the OM was how to adapt and reconfigure their scarce resources effectively in order to capitalise upon this market segment.

6.6.3 New niche product/ service generation

However, the desire to enhance the customer experience (McKee *et al.*, 1989; Rindova & Kotha, 2001; Kaehler *et al.*, 2014) and present a tourism offering that exceeded customer expectations (Schindehutte & Morris, 2001; Gibson & Birkinshaw, 2004; Biedenbach & Müller, 2012; Wei *et al.*, 2019) was the preserve of adaptive capability development. MF02 related how they would offer laundry services for their guests' wet clothing in readiness for the following day's excursions, thereby transitioning the customer experience from a functional transactional one to a memorable engagement within a home-like ambience. Such a desire to exceed customer expectations could not have been developed unless the operational capabilities of basic efficient customer service were present. This finding concurs with Winter (2003) and Amit & Schoemaker

(1993), who theorise that a firm has the capacity to deploy resources to facilitate a desired outcome using organisational processes. Thus, it can be seen how the existing resource base was changed to incorporate enhanced needs (Slater & Narver, 2000; Zajac *et al.*, 2000), rather than perpetuate functional efficiency.

Similarly, MF08 partnered with a neighbouring café to provide an enriched customer experience by complementing their tourism offering (Sirmon *et al.*, 2007) with access to locally sourced food. This was a deliberate effort on behalf of the OM to differentiate their tourism package from competitors (Claver-Cortés *et al.*, 2007) by delivering an authentic experience to guests (Sudbury & Simcock, 2009; Le Serre & Chevalier, 2012; Park *et al.*, 2019). For instance, MF21 articulated the concept well by observing that: *'People buy into people.'* Likewise, personal engagement surfaced throughout the findings, such as MF13 talking about OM *'personality,'* MF16 and MF22 mentioned *'a pleasant demeanour'* and MF03 was a raconteur: *'I always have a story.'* Extant resources and routines were altered to accommodate a modified schedule, additional points of interest for the customer and a greater immersion within the locality and its inhabitants. This adaptive capability development could not have succeeded without a solid operational framework within which to modify existing routines, processes and resource bundles (Collis, 1994; Winter, 2003; Schilke, 2014).

While there was no doubting the ability of the OMs to offer the traditional *'céad míle fáilte'*¹³ greeting to tourists, there was scope for many of them to adapt their offering (Gibson & Birkinshaw, 2004; Claver-Cortés *et al.*, 2007) to generate memorable experiences (Mehta, 2007; Healy *et al.*, 2016), by presenting tourists with a more authentic insight into Irish life and culture. For example, MF12 embraced this adaptive capability potential by creating a *'tourism attraction with a heartbeat,'* shunning what MF03 colloquially termed the *'makey-up Ireland.'* This agrees with Mei (2014: p. 71) who argues that modern tourists are no longer content with *'just a visit'* to an area but actively seek out memorable experiences. The juxtaposition between customer service and serving the customer is an apt analogy, whereby there is a spectrum of emotional investment by both parties which yields memorable, as opposed to functional, results. In light of the findings, OMs have the onerous task of becoming living ambassadors for Ireland's cultural ethos and to not rely solely upon the magnificence of the natural and

¹³ Literally meaning 'one hundred thousand welcomes'.

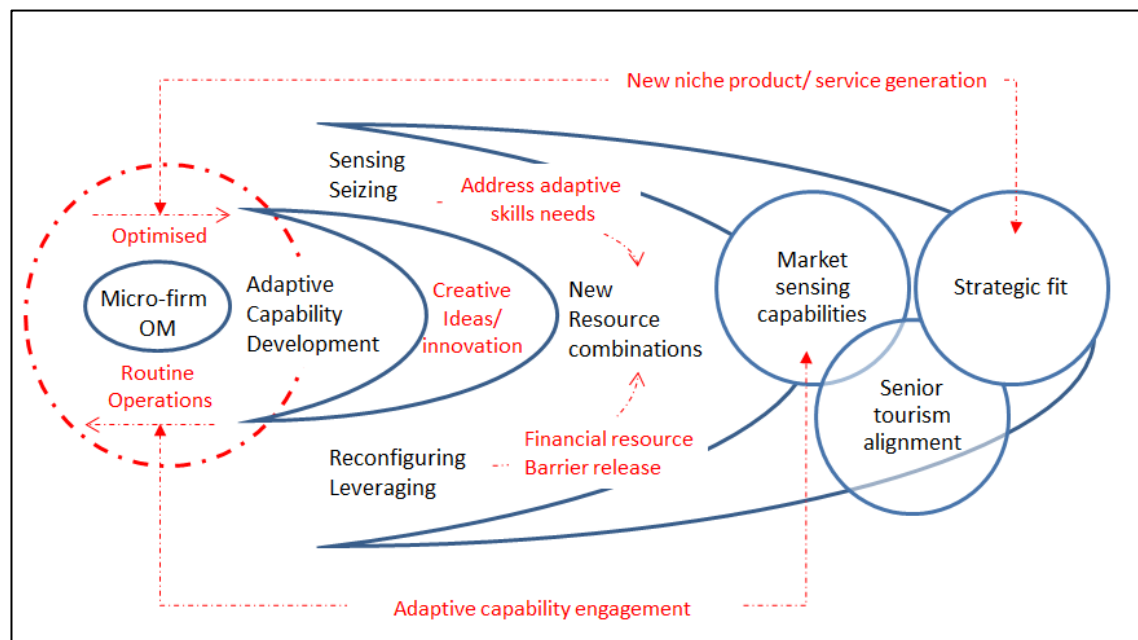
built heritage to impress visitors. The focus needs to be on adapting the tourism offering to enable tourists, as Cooper *et al.* (1998: p. 101) highlight, to '*seek authenticity*' rather than '*passive experiences.*' It is this skills deficit at firm level which Fáilte Ireland is working towards addressing with national training courses aimed at developing '*a comprehensive understanding of this changing environment and have a definitive plan for the future*' (Fáilte Ireland, 2018d).

The tourism sector eschews disruptive policies (Baumann & Kritikos, 2016), adopting a cautious approach (Schindehutte & Morris, 2001) and is instead more disposed towards incremental changes within the tourism offering (Nieves & Haller, 2014). The transparency within the industry negates a permanent advantage for the adopter and sectoral rivals can readily replicate innovative actions (Hjalager, 2002). Many of the OMs were adept at small scale changes to their resource base, in tandem with aligning their products and services towards senior tourists. This adaptive behaviour was manifest in numerous examples of resource reconfiguration, based upon market signals and the existing strategic footprint of the firm. For example, MF02, 07, 08, 11, 21 differentiated themselves from other businesses within the senior tourism market by creating a more personalised, authentic, tourism offering than other rivals within the sector. Equally, MF15, 19, 22 were cognisant of eliciting repeat custom by creating minor enhancements within their offering by presenting the returning tourist with an improved experience and a revised product or service. Additionally, MF04, 13 combined their existing service with other sectoral businesses, thereby creating an enhanced offering for customers without the need to incur costs by expanding their own respective resource bases. Such actions are highlighted by Sirmon *et al.* (2007) who assert that OMs need to possess the ability to acquire and divest the firm of resources where applicable and possess the necessary expertise to create capabilities by bundling resources. Indeed, it is this sharing of resources that is not adequately catered for within extant RBV theory (Barney, 1991; Amit & Schoemaker, 1993; Lavie, 2006), thereby affording the concept of higher level capability development more credence.

6.7 Revised theoretical framework

The primary contribution of this research is in the form of a theoretical framework, Figure 6-2, which augments the trajectory of the research focus in highlighting adaptive capabilities as the pivotal research point of the study. The research transitioned from a broad foray into the intangible domain of dynamic capabilities within the cultural heritage tourism sector, and funnelled into the niche area of senior tourism adaptive capabilities.

Figure 6-2: Senior Tourism Adaptive Capability Framework



OM lens is elevated to a position of prominence and greater traction is given to the OM's ability to align the tourism offering towards the senior market by sensing environmental trends (Day, 1994; Foley & Fahy, 2009) and satisfying the strategic ethos of the firm (Lukas, 1999; Zajac *et al.*, 2000). There is less insularity within this enhanced framework, which exhibits a greater symbiosis between OM capability engagement and the desired senior tourism alignment outcome. Positioning the micro-firm OM at the beginning of the framework accentuates their importance within the realm of hierarchical capability development. The OM engages with operational capabilities as a means of perpetuating the existence of the business (Teece *et al.*, 1997; Inan & Bititci, 2015). Routine operations enable the business to trade on a regular basis (Collis, 1994; Winter, 2003) and OMs have the option to either maintain the business wholly at this level (Zollo & Winter, 2002; Danneels, 2002), or to optimise existing routines and resource bundles through higher level capability deployment (Gibson &

Birkinshaw, 2004; Wang & Ahmed, 2007). Firms within this operational level domain may remain there, perhaps due to a lack of entrepreneurial intent (Lashley & Rowson, 2010), a deficient skill-set (Gherhes *et al.*, 2016) or where core competencies have become core rigidities (Wang & Ahmed, 2007; Ambrosini & Bowman, 2009), thereby negating change aspirations. In such instances, any market sensing that is undertaken, fails to translate into a desire to embrace nascent trends.

The framework resonates with the broader environment and may be conceptualised as being an organic or open system, impacted upon by both internal and external phenomena. Thus, Figure 6-2 illustrates the evolved conceptual framework, with the linkages in red having emerged from an analysis of the findings. This enhanced framework articulates the inherent nuances of the transition process between ordinary and higher level capabilities (Eisenhardt, 1989b; Easterby-Smith *et al.*, 2009), within the tourism micro-firm cultural heritage environment. The development of higher level adaptive capabilities is deliberately governed by (Zahra *et al.*, 2006; Helfat *et al.*, 2007), and is within the managerial remit of (Gibson & Birkinshaw, 2004), the OM who has the onerous task of maintaining the flexibility of the business to adapt to new trends (Newey & Zahra, 2009), whilst simultaneously marshalling extant resources (Claver-Cortés *et al.*, 2007) to provide a coherent senior tourism offering. The framework transitions from the micro-firm OM, who is characterised as the resource gatekeeper (Morrison, 2006; Phillipson *et al.*, 2006), through adaptive capability development and into new resource combinations (Oliver, 2016), culminating with the resultant senior tourism service/ product alignment. It portrays the influence of sensing and seizing routines on identifying market trends and opportunities (Teece, 2016), while also giving recognition to the importance of reconfiguring and leveraging resources through strategic fit (Neill *et al.*, 2007; Hermano & Martín-Cruz, 2016). The resultant new resource combinations are subsequently aligned towards the senior tourism market as a means of extending trading during the off-peak period.

This revised framework, also illustrates the connection between optimised routines for the generation of new products and services, and the strategic fit of the firm. Improvements to the tourism offering were seen to be incremental in nature (Schindehutte & Morris, 2001; Nieves & Haller, 2014), and were often adopted on a trial basis (Schaper *et al.*, 2005) to determine their efficacy, before committing scarce resources to the venture. Barriers to the release of resources are dissipated by the

resolve of the OM (Dahles & Susilowati, 2015; Chrysochoidis *et al.*, 2016) and new resource combinations evolve, which are aligned towards the senior tourism market. Resource barriers were primarily financial in nature, thereby perpetuating the incremental nature of product/ service improvement as being the least costly undertaking. Other uncovered resource barriers to adaptive capability development were a paucity of tangible assets, such as extra space or suitable premises, the affordability of extra staffing levels and lack of organisational slack, which acted as an impediment to the creation of innovative intent. The reconfigured resource combinations are subservient to the intervention of market sensing and seizing capabilities and the strategic fit ethos of the firm (Teece *et al.*, 1997; Li & Liu, 2014), in terms of leveraging market advantage from higher capability development. Both market sensing and strategic fit have been addressed in Chapter 3 and a further repetitive discourse is not deemed necessary at this point.

6.7.1 Attaining senior tourism alignment

Adaptive capabilities transport a firm from its current state of operation, to a desired future state (Teece *et al.*, 1997; Helfat & Winter, 2011), whereby the OM consciously seeks to make adjustments to the business and its strategic focus (Zahra *et al.*, 2006; Helfat *et al.*, 2007). The deliberate intent (Helfat & Winter, 2011) to generate new niche products or services, is contingent upon an alignment with the strategic ethos of the firm. The OM is receptive to environmental signals and instigates the deployment of creative intent through a ‘seizing’ routine (Teece *et al.*, 1997), thereby integrating the information harvested from the marketplace, with the current activities of the business. New resource combinations are formed through the transformational routines of reconfiguring and leveraging (Teece, 2012). Innovative outcomes are generated through the interaction of market information upon firm resources, and processes or systems are replicated or enhanced (Zollo & Winter, 2002; Zahra *et al.*, 2006; Helfat *et al.*, 2007). Strategic fit is developed by identifying new business prospects and adapting resources and competencies to capitalise upon this niche market (Lukas *et al.*, 2001; Wang & Ahmed, 2007). OMs may reject developing an identified business opportunity, not because of resource barriers, but because they perceive a mismatch with the current strategic direction of the firm (Zajac *et al.*, 2000; Carmeli *et al.*, 2010). The senior tourism offering is thus an amalgamation of new resource combinations, transformed by action specific routines that are initiated by the OMs proficiency in altering their

understanding of market expectations (Teece *et al.*, 1997; Eshima & Anderson, 2016; Wilke *et al.*, 2019).

6.8 Conclusion

The main empirical findings have been presented within this chapter and intertwined with relevant academic literature, as a means of signalling their significance within the context of this research study. The centrality of the OM within the development of higher level capabilities was observed and it was highlighted how the OM is not only the primary decision maker within the micro-firm, but also acts as a gate keeper for resource utilisation and reconfiguration. Not all micro-firms were shown to be receptive to adaptive capability development and there were instances, either due to lifestyle choices, lack of skills or resource constraints, whereby firms actively sought to remain at operational capability level. Adaptive capability development was presented as having an incremental impact upon senior tourism resource reconfiguration and OMs that embraced this senior cohort were better able to moderate the adverse impact of seasonal demand fluctuations.

Chapter 7: Research Conclusions and Recommendations

7.0 Chapter introduction

This research study set out to explore the presence of adaptive capabilities within tourism micro-firms and to comprehend their role in facilitating off-peak senior tourism alignment. The preceding chapters have integrated several intertwined areas of literature and in doing so have acknowledged the centrality and indispensability of the micro-firm OM in sensing, seizing and transforming existing resources through the use of adaptive capabilities. A senior tourism adaptive capability framework is the culmination of this work and to arrive at that point necessitated navigating through the thematic waypoints of culture and heritage, seasonality, micro-firms, senior tourism and hierarchical capability levels. Subsequent theoretical insights will chaperone the reader towards the provision of an answer to the research question:

How can the adaptive capability of micro-firm owner/ managers maximise the niche potential of off-peak senior tourism within the Irish culture and heritage sector?

Key research outcomes and contributions to both theory and practice form the outline of this chapter and salient research limitations, together with recommendations for future academic endeavours, will bring the chapter to a conclusion.

7.1 Attaining foreclosure on the research objectives

This thesis sought to project through a micro-firm OM lens, the relationship between the growing senior tourist population, adaptive capability development and a pertinent means of lengthening the off-peak trading period. In doing so the following objectives guided the research and were targeted:

1. To explore and contextualise the presence of adaptive capabilities within culture and heritage micro-firms.
2. To understand whether the existence of adaptive capabilities enables tourism micro-firm owner/ managers to extend trading within the off-peak season.
3. To propose an adaptive capability framework within tourism micro-firms geared towards the senior tourism market.

These points of engagement will be brought to a close within the subsequent sections of this chapter by synopsising the relevant aspects of the literature and empirical findings.

7.1.1 Revisiting Research Objective 1:

To explore and contextualise the presence of adaptive capabilities within culture and heritage micro-firms.

7.1.1.1 Identifying adaptive capabilities by their operational footprint

The challenge of accurately determining which core practices may be regarded as capabilities is an impediment within qualitative research (Lawson & Samson, 2001; Jantunen *et al.*, 2012). The intangibility of dynamic capabilities (Wang & Ahmed, 2007; Barrales-Molina *et al.*, 2014) and the difficulty attached to their identification is a topic of debate within the literature (Di Stefano *et al.*, 2014; Grant & Verona, 2015). Rather than attempting to view adaptive capabilities through the opaque lens of a 'black box' (Wang & Ahmed, 2007; Ambrosini *et al.*, 2009; Pavlou & El Sawy, 2011), it was more beneficial to allow the findings to surface instances of adaptive capability output, and then to retrospectively probe the formation of resource transformation and hierarchical capability interaction. Utilising this approach and guided by the aforementioned observations of Di Stefano *et al.* (2014) and Grant & Verona (2015), it was possible to chart the progression of higher level capability intent, from an initial desire to engage with nascent trends, through to the transformation of extant resources and senior tourism alignment. Barrales-Molina *et al.* (2014) collate pertinent observations on showcasing higher level capabilities within the literature and these were brought into the empirical research as a means of satisfying the first of the research objectives. Determining that higher level capabilities can exist within cultural heritage micro-firms and unearthing the adaptive capabilities resource footprint within the OM decision making process, facilitated a transition towards the second research objective.

7.1.1.2 Cultural heritage domain fosters adaptive capability development

Both current literature (Gilmore *et al.*, 2007; Su & Lin, 2014; du Cros & McKercher, 2015) and industry reports (Fáilte Ireland, 2014a; Department of Transport Tourism and Sport, 2015; 2016b) stress the propensity of the cultural heritage environment to attract tourists and especially those within the senior category (Cooper & Schindler, 2001; Claver-Cortés *et al.*, 2007). This concept is documented within the findings and OMs acknowledged the business development potential of that domain. A relevant aspect of the cultural heritage realm is that not all regions within Ireland are viewed through an impartial tourism lens and certain areas have traditionally been tourism hotspots (Fáilte Ireland, 2016f), diverting footfall from less well explored regions (Fáilte Ireland, 2016a). The findings showed that this creates a destination imbalance for tourism micro-firm OMs who find that they are competing both locally and nationally for tourism business, while at the same time sharing the same cultural heritage resource base. RBV literature accentuates the value of unique resources (Wernerfelt, 1984; Barney, 1986), but fails to acknowledge the managerial input into transforming this resource base (Helfat & Peteraf, 2003; Sirmon *et al.*, 2007) and this is where the dynamic capability concept gains traction (Barreto, 2010; Nieves & Haller, 2014). The findings demonstrated that tourism micro-firms within the same region operated at different levels of success and that this had less to do with extant resources but rather with how each OM sensed and strategically adapted to the fluidity of the marketplace. Thus, while the cultural heritage environment was seen as a welcome asset by all OMs, operating within this domain did not automatically bestow upon firms a superior competitive edge.

7.1.1.3 Adaptive capability engagement as an option to embracing change

A key finding arising from this research study is that not all tourism micro-firms embrace adaptive capability development as a means of rebuffing challenging trading conditions. This outcome is in tandem with theorists (Winter, 2003; Teece, 2007; Lemmetyinen & Go, 2009) who offer alternative managerial actions for an interim solution to a pending marketplace scenario. Empirical research showed that some OMs embraced remedial actions such as ad hoc problem solving (Winter, 2003), to trade out of a particular challenging situation. The development of adaptive capabilities (Zhou & Li, 2010; Eshima & Anderson, 2016) has its genesis at a point far removed from when senior tourists present themselves to the micro-firm OM. Such impetus is garnered

from the OM retrospectively deciding to filter market signals for nascent trends, which would be sympathetic to the strategic ethos, managerial skill-set and existing resources of the firm (Day, 1994; Morgan *et al.*, 2009; Day, 2011). Therefore, as the findings have shown, the seeds of future endeavours are not sown haphazardly in the present, but rather are embedded in past undertakings and it is this delayed time component that is a key characteristic of adaptive capabilities. Such an anomaly incurs costs into the present (Easterby-Smith *et al.*, 2009; Barreto, 2010) in return for future rewards (Teece *et al.*, 1997; Helfat & Winter, 2011) and so negates the possibility of higher level capabilities becoming ‘quick fix’ solutions. Helfat & Peteraf (2003: p. 999) assert that for a performance to qualify as a capability it must work in a reliable fashion and that *‘taking a first cut at an activity doesn’t constitute a capability.’*

Similarly, higher level capability development is not a panacea for business success (Collis, 1994; Cuccia & Rizzo, 2011) and cultivating the wrong capability may be detrimental to future firm performance (Teece, 2007; Ambrosini & Bowman, 2009). Additionally, not all micro-firm OMs are sufficiently entrepreneurial to practice strategic visioning (Greenbank, 2000; Getz & Nilsson, 2004) and function on short term ‘trial and error’ interventions, rather than embracing unknown future scenarios (Schaper *et al.*, 2005; Faherty & Stephens, 2016). Resource stretched OMs assume the mantle of both an employee enacting daily operational tasks and as a custodian of the business, thereby endeavouring to ensure its viability through managerial decision making (Reijonen & Komppula, 2007; Gherhes *et al.*, 2016). The concept of higher level capabilities and their transformation of extant resources may be explained in commercial parlance by such terms as ‘taking the business to the next level’ or ‘stepping it up a gear.’ Such vernacular belies the complexity of the process (Zollo & Winter, 2002; Wang & Ahmed, 2007; Evans, 2016) and neglects to appreciate the extent to which the key decision maker (Kelliher & Reinl, 2009; Samujh, 2011) is active in auditing the barriers to resource redeployment and transformation. This cautious approach was evident within the findings and signalled the multiplicity of decisions faced by each OM in the deployment of their scarce resources.

7.1.2 Revisiting Research Objective 2:

To understand whether the existence of adaptive capabilities enables tourism micro-firm owner/ managers to extend trading within the off-peak season.

7.1.2.1 The merit of off-peak trading for tourism micro-firms

The research findings highlight the pervasiveness of seasonal demand fluctuations (Krakover, 2000; Lim & McAleer, 2001; Rosselló & Sansó, 2017) within cultural heritage micro-firms and how the predictability of such an occurrence (Butler, 1998; Lim & McAleer, 2001; Jang, 2004) allows OMs to adapt to both the challenges and drawbacks of this phenomenon. Extant literature positions seasonality to the forefront of the managerial challenges facing the tourism sector (Connell *et al.*, 2015; Banki *et al.*, 2016) and infers that the adverse effects outweigh the minimal benefits (Cuccia & Rizzo, 2011). However, the research question is crafted to specifically determine how the off-peak season may be of greater value to tourism micro-firms and thus invokes a sense of opportunistic engagement that is within the remit of the OMs. This was not a unilateral trait and the findings demonstrated that not all OMs possessed the entrepreneurial impetus to challenge the constraints of the off-peak period, with some believing that such circumstances were beyond their control (Ateljevic, 2007).

The inescapability of the impact of seasonality is intertwined within the daily routines and strategic mind-set of the OMs and the results demonstrate the symbiotic nature of this relationship. The peak season facilitates revenue generation, staff deployment, resource utilisation, capability enactment and marketplace engagement (Baum & Hagen, 1999; Higham & Hinch, 2002; Fernández-Morales *et al.*, 2016). In contrast, the off-peak period fosters personal and professional rejuvenation, an audit of resource deficiencies, capability enhancement (Butler, 1998; Pegg *et al.*, 2012; Figini & Vici, 2012) and the formation of creative ideas.

The minimalistic structure of the micro-firms possessing scarce resources (Welsh & White, 1981; Morrison & Teixeira, 2004), flattened bureaucratic layers (Lieberman-Yaconi *et al.*, 2010; Baumann & Kritikos, 2016) and an OM centric culture (Schaper *et al.*, 2005; Jaouen & Lasch, 2015) negates any possibility of trading continuously for the full calendar year. Those firms that did trade all year, absorbed dormant periods into their schedules that minimised overheads through staff reduction, unpaid family help and a less frenetic operating routine. In effect, the findings emphasised that they merely

maintained an off-peak business presence, rather than endeavouring to maximise revenue generation and visitor engagement. The unparalleled embeddedness of OMs within micro-firms, compared to their counterparts in SMEs, takes its toll both personally and professionally and the results signalled the need for a period of rejuvenation before embarking upon peak season trading.

7.1.2.2 Incremental resource adaptation for senior tourism engagement

Those micro-firms that proactively sought to adapt their current tourism offering to cater for the senior tourism market, did so in a manner contingent upon their available resource base (Gibson & Birkinshaw, 2004; Reeves & Deimler, 2011) and within the limits of the strategic ethos of the firm (Lukas, 1999; Zajac *et al.*, 2000). As such, it could be observed from the findings that adaptive actions were implemented both incrementally and cautiously (Schindehutte & Morris, 2001; Baumann & Kritikos, 2016), thereby alleviating the risk of jeopardising resources through an unintended outcome (Helfat *et al.*, 2007; Ambrosini & Bowman, 2009). Although the literature proposes that adaptive capability development is an intricate composition of resource reconfiguration (Biedenbach & Müller, 2012; Inan & Bititci, 2015), prefaced by strategic market sensing considerations (Ma *et al.*, 2009; Morgan *et al.*, 2009) and implemented by hierarchical capability interaction (Teece *et al.*, 1997; Zollo & Winter, 2002; Schilke, 2014), the reality was more subdued. From the findings, OMs lacked a managerial network of knowledgeable advisors and tended to evaluate adaptive actions on a trial and error basis, doing so in an incremental, innovative manner. Many of the adaptive capability actions included enhancing existing customer service offerings (Biedenbach & Müller, 2012; Kaehler *et al.*, 2014), creating new products (Rindova & Kotha, 2001; Gibson & Birkinshaw, 2004) or accentuating the authentic experiences factor (Gilmore *et al.*, 2007; Healy *et al.*, 2016) that senior tourists derived from interacting with the micro-firms. None of the micro-firms within the study that developed senior tourism adaptive capabilities strayed from their current skillset or resource base and thus, the senior tourism offerings were amendments to existing products and services. This demonstrated that while senior tourism adaptive capability engagement was within the remit of micro-firms, the outcome was contingent upon the OM overcoming the inertia to progress beyond operational capability level.

7.1.3 Revisiting Research Objective 3:

To propose an adaptive capability framework within tourism micro-firms geared towards the senior tourism market.

7.1.3.1 Reconnecting with the senior tourism base

The senior tourism sector is the receptacle for micro-firm adaptive capability development and offers OMs the potential to increase their off-peak revenue by servicing this untapped niche market. The propensity of many of the OMs to perpetuate a generic tourism offering was noticeable in the findings and there was the erroneous perception that this market was homogeneous and less mobile than younger demographic groups. Prior literature suggests that seniors can be a welcome addition to the off-peak cultural heritage season (Le Serre, 2008; Sudbury & Simcock, 2009) but many OMs were not fully availing of this opportunity. The findings illustrated that those OMs that were proactive within this niche segment, not only generated immediate financial returns, but also nurtured future repeat business potential. Therefore, given the benefits of senior tourism (González *et al.*, 2009; Ward, 2014) and their affinity with the cultural heritage landscape (Callan & Bowman, 2000; Huang & Tsai, 2003), their presence amongst OM strategic adaptive capability development warrants further inclusion.

7.1.3.2 Operational capabilities vital to adaptive capability development

Both the research question and objectives give credence to the prominence of adaptive capabilities within the research framework and how the future goal of senior tourism alignment is contingent upon their astute deployment by the OM. In contrast, operational capabilities are absent from these guiding parameters and their inclusion within the commencement of the conceptual framework belies their ultimate importance. Extant theory broadly concurs that lower level capabilities are the antecedents of adaptive capabilities and that the former are changed by the latter into new resource amalgamations (Eisenhardt, 1989b; Collis, 1994; Teece *et al.*, 1997; Winter, 2003; Helfat *et al.*, 2007). The research findings not only acknowledge the potency of higher level adaptive capabilities in transforming extant resources into new configurations but also accentuate the importance of day-to-day operational capabilities in this conversion. This finding highlights that poorly managed firms with questionable operational capability development will struggle to move beyond their day to day tasks and will be unable to engage successfully with higher level capabilities. Therein lies the

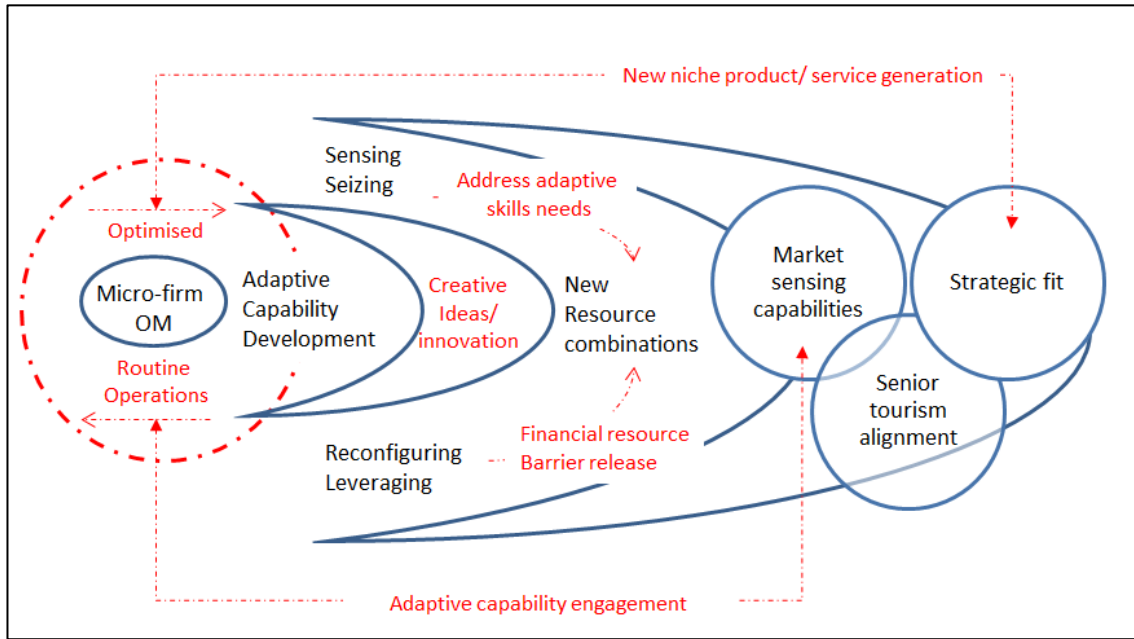
challenge for micro-firm OMs; empirical findings showcased that too much focus on operational capabilities detracts from adaptive capability engagement, whereas too little reduces the efficacy of any subsequent adaptive capability development. This assertion lends empirical weight to theorists (Helfat & Peteraf, 2003; Newey & Zahra, 2009) who propose that the influence of adaptive capabilities upon operational ones is not a unilateral progression, but rather it is bidirectional and thus, lower level capabilities can also influence those above them. While this configurational ranking is not a novel progression of extant literature, it does advance current knowledge in terms of tourism micro-firm adaptive capability development and how that may be impeded by a haphazard operational capability base.

7.1.3.3 Developing an off-peak senior tourism adaptive capability framework

This research aimed to negate the trading difficulties within the off-peak cultural heritage season (Sastre *et al.*, 2015; Park *et al.*, 2016), by harnessing the adaptive capability potential (Teece *et al.*, 1997; Wang & Ahmed, 2007) of the rising tide of senior tourists (Le Serre & Chevalier, 2012; Borges Tiago *et al.*, 2016) willing and able to engage with the sector. Throughout that journey, the centrality and indispensability of the OM, not only to the micro-firm (Schaper *et al.*, 2005; Samujh, 2011) but also to the adaptive capability process (Zahra *et al.*, 2006; Brouder & Eriksson, 2013; Duarte Alonso & Bressan, 2014), was evident from the empirical findings. The OM became a conduit for determining whether or not to vacate the realm of operational capabilities in favour of adaptive capability engagement. The initial catalyst for this transition surfaced from the extent of the OM's desire to sense and respond to nascent market signals (Eisenhardt & Martin, 2000; Day, 2002), and their evaluation of the resource requirements and strategic actions necessary to bring such desired future state to fruition (Helfat *et al.*, 2007; Augier & Teece, 2009).

This research, as encapsulated by the revised conceptual framework, Figure 7-1, reproduced here for ease of reference, concludes with senior tourism adaptive capability development, whereby extant resources are transformed in response to market trends (Schindehutte & Morris, 2001; Gibson & Birkinshaw, 2004; Eshima & Anderson, 2016).

Figure 7-1: Revised Conceptual Framework



The research question sought credence for senior tourism adaptive capability engagement and how such actions may benefit tourism micro-firms trading within the off-peak period. The findings illustrated that attaining this desired future state of operation, necessitated micro-firm OMs navigating a complex array of theoretical and practical concepts, as well as overcoming internal and external barriers to adaptive capability development. Thus, arriving at the goal of senior tourism adaptive capability development, is the culmination of an intricate process of capability choreography (Winter, 2003; Helfat *et al.*, 2007; Teece, 2007) (strengthening cyclical synergies between operational and adaptive capabilities) and the strategic navigation of contextual influences (the expansive senior tourism cultural heritage, the peculiarities of tourism micro-firms and the vagaries of seasonality of demand). Fundamental within this milieu is the OM, who is both employee and managerial decision maker (Greenbank, 2000; Samujh, 2011) and is responsible for maintaining the operational efficiency (Florén, 2003; Schaper *et al.*, 2005) as well as the strategic longevity of the firm (Claver-Cortés *et al.*, 2007; Thomas *et al.*, 2011). The conceptual framework, positions the OM as the catalyst for adaptive capability development, ultimately aligning with a senior tourism offering. However, the pivotal point between ordinary and higher level capabilities is contingent upon the entrepreneurial desire and functional skill-set of each OM and the prevalence of extant resources. Developing senior tourism adaptive capabilities is not a foregone conclusion and is conditional

upon a functioning operational capability base and also upon the strategic vision to navigate the firm to a planned future state of operation.

7.2 Recommendations

The following recommendations aim to enhance the adaptive capability development of micro-firm OMs to create an off-peak senior tourism offering. Adaptive capabilities have the potential to add value to a firm but the results may not be as advantageous as expected and further research is required to explore such enablers and inhibitors (Barreto, 2010). The recommendations are not assumed to be infallible solutions to the adverse effects of seasonality or a panacea to the challenges of senior tourism engagement. They endeavour to illuminate the intangible 'black box' (Sirmon *et al.*, 2007: p. 273; Pavlou & El Sawy, 2011: p. 239) of adaptive capability engagement and present it in a manner amenable to practical evaluation and implementation.

Develop a collaborative rather than a competitive mind-set:

Micro-firms traditionally suffer from a scarcity of resources (Welsh & White, 1981; Morrison & Teixeira, 2004; Devins *et al.*, 2005; Duarte Alonso & Bressan, 2014) and the findings illustrated that this inevitably impinges upon the breadth and range of their senior tourism offering. This study recommends that where possible, micro-firm OMs should endeavour to collaborate with a suitable complimentary business to expand the range of services on offer, thereby enhancing the tourism experience. Such a carefully chosen symbiotic partnership would maximise the resource footprint of the each firm and enable the OM to circumvent their own resource/ skills gap, by strategically aligning with a neighbouring business. This non-adversarial mind-set when dealing with competing businesses, would allow OMs to adapt to new market opportunities in a controlled manner, without sacrificing their own autonomy (Campin *et al.*, 2013) or partaking in unduly risky behaviour (Getz & Carlsen, 2005). A proactive, collaborative response was found to benefit those micro-firms that engaged in this collective behaviour by promoting incremental innovative offerings that deepened the tourism experience.

Enhance market sensing effectiveness by networking:

In keeping with the previous recommendation, it is suggested that some micro-firm OMs lessen their silo mentality and maximise their market sensing range by broadening their networking activities. The core market sensing routines were developed through customer, competitor and environmental intelligence. An insular, myopic market sensing routine that fails to transcend beyond the sphere of localised customer feedback, diverts potentially relevant opportunities away from the OMs' field of perception. The senior tourism market is an emerging area within the tourism sector (Littrell *et al.*, 2004; González *et al.*, 2009; Jang & Ham, 2009; Caber & Albayrak, 2014; Chen & Shoemaker, 2014) and tapping into business development workshops or Fáilte Ireland networking events would facilitate a more informed picture of this niche market. Irrespective of the potential new business opportunities that this engagement may produce, OMs would be exposed to the diversity of abilities within the localised tourism micro-firm population, thereby challenging them to audit their own existing skillset.

Minimise the duration of the off-peak non-trading period:

Seasonality is an intrinsic, predictable aspect of the tourism industry and its ramifications throughout the sector are well documented within the literature. Micro-firms succumb to the impact of seasonality more than larger businesses, due to their less robust nature (Irvine and Anderson, 2004). Therefore, alleviating the adverse effects of seasonality is a strategic objective of tourism policy makers (Baum & Hagen, 1999). The findings illustrated that completely eradicating the off-peak period would be detrimental to many micro-firm OMs and thus, this study recommends that measures be introduced to enable OMs to extend their trading season by a period of up to six weeks. Such a measure would counteract the assertion by Jang (2004) that inadequate attention is devoted to formulating practical solutions to the issue of fluctuating tourism demand. Additionally, incentivising tourism micro-firm OMs to trade for longer periods, through the use of dedicated marketing campaigns (Fáilte Ireland, 2018b), would help overcome the contention amongst certain OMs that seasonality is beyond their immediate control (Ateljevic, 2007). These off-peak advertising campaigns, together with regionalised festivals and cultural heritage events, could facilitate increased senior tourism footfall in a traditionally otherwise quiet trading period.

Streamline operational capabilities to facilitate adaptive capability development:

The nature of higher level adaptive capabilities is that they are built upon lower level, reconfigured operational capabilities (Zahra *et al.*, 2006; Helfat *et al.*, 2007; Barreto, 2010). It is recommended that fostering a robust framework of operational capabilities be initiated through a programme of best practice workshops, which would enable OMs to overcome deficiencies within their inherent skill-sets. Cognisance must be given to the fact that such actions in themselves do not constitute higher level capabilities (Winter, 2003; Teece, 2007). Barreto (2010) observes that few studies have explicitly researched which firms are most likely to benefit from higher level capabilities and that it was equally important to articulate those firms for whom such capability development would be inadvisable and detrimental. The creation of adaptive capabilities is impeded by poorly developed operational capabilities (Newey & Zahra, 2009). Thus, offering training in business best practice would enhance the integrity of lower level capabilities, thereby facilitating the genesis for adaptive capability engagement.

The antithesis of adaptive capability development is ad hoc problem solving and ‘fire brigade’ management (Winter, 2003; Teece, 2007) and while such actions may lead to a resolution to immediate challenges, they are not conducive to the focused, repeatable, deliberate actions (Winter, 2003; Helfat *et al.*, 2007; Schreyögg & Kliesch-Eberl, 2007) of adaptive capability creation. The continuous morphing required from an adaptive approach was found to be most prevalent within proactive OMs, rather than amongst those reactive OMs that were struggling to maintain a viable business venture. Therefore, instilling within OMs the confidence to transcend their operational domain and actively target the senior market could be better facilitated from an optimised set of operating procedures, which would provide the antecedents for higher level capability development.

Diversify senior tourism deliverables beyond a truncated generic offering:

A further recommendation emanating from this research study is to personalise the tourism offering to create bespoke authentic experiences, geared explicitly towards senior tourists. The current tourism product is weighted towards a generic market and does not specifically address the needs of the senior tourism sector. Ireland's international senior market is serviced by a tourism offering that encompasses age groups from 45 years upwards (Fáilte Ireland, 2016b; 2018a) and does not differentiate between different age bands within the senior bracket. Such homogeneity within the tourism offering is at variance with the recommendations of Chen & Shoemaker (2014), who assert that '*younger seniors*' aged 55-60 years, who desire a more personalised, less sedentary experience, will take issue with products/ services aimed at a predominantly older market. Some of the OMs within the study had an apathetic focus on the senior market and were content to truncate the regular tourism offering in terms of distance, activity levels and degree of engagement. Horneman *et al.* (2002) highlights this erroneous presumption that all older travellers are deemed to be physically infirm by virtue of the 'senior' label attributed to them. To counteract this ageism bias, this research calls for a more inclusive senior tourism product and one that encompasses actual ability, rather than perceived inability.

7.3 Methodological contribution

This research contributes to the wider academic base at a methodological level by counteracting the assertion that qualitative research is hampered by the difficulty of identifying the capabilities within a firm (Grant & Verona, 2015) and that such phenomena are '*inherently unobservable*' (p. 61). While it was not practical to pursue an ephemeral concept such as an adaptive capability, it was feasible to tease out through qualitative interviewing, the operational footprint of the intent. Consequently, by identifying the resultant adaptive capability actions, it was possible to extrapolate backwards towards the genesis of the adaptive capability. By utilising this broad sensing, seizing, reconfiguring and leveraging trail, the research methodology further diminishes the difficulty of also accurately classifying firm practices as capabilities (Lawson & Samson, 2001; Jantunen *et al.*, 2012).

There is also scant empirical research on the development of higher level capabilities (Tallott & Hilliard, 2016), with the majority of research being conceptual in nature (Pablo *et al.*, 2007). Ambrosini & Bowman (2009) assert that prominent studies by Teece *et al.* (1997) and Eisenhardt & Martin (2000) use data to understand higher level capabilities which was not specifically collected for that purpose. The qualitative nature of this study aligns with the assertion of Eriksson (2014), who contends that deciphering and understanding dynamic capabilities is a complex process and one that is best suited to a qualitative approach.

7.4 Contribution to knowledge

This research imparts new knowledge by illuminating a positive aspect of off-peak seasonality that does not appear to have surfaced in previous literature on the subject. The findings have illustrated that for many of the OMs, the off-peak season was regarded as a period of creative development, rather than merely a time for mental and physical rejuvenation. This finding transcends the pervasiveness of seasonality within extant literature (Butler, 1999; Lim & McAleer, 2001; Nadal *et al.*, 2004; Koenig-Lewis & Bischoff, 2005; Park *et al.*, 2016) and narrows the ramifications of the phenomenon from the wider tourism sector and into the microcosm of the micro-firm OM. While there is no overriding consensus on the merits and demerits of the impact of seasonal demand variations, the term is generally associated with negative connotations (Getz & Nilsson, 2004; Cuccia & Rizzo, 2011; Connell *et al.*, 2015; Park *et al.*, 2016). This new aspect of OM creative engagement during the quieter periods of the trading year, has received scant attention prior to this research study.

Heretofore, seasonality has been studied in terms of mitigating its adverse effects (Jang, 2004; Parrilla *et al.*, 2007); understanding its impact upon destinations (Butler, 2001; Cuccia & Rizzo, 2011; Gil-Alana & Huijbens, 2018); fostering a retaliatory approach (Baum & Hagen, 1999; Connell *et al.*, 2015; Banki *et al.*, 2016); and monitoring variations in tourism footfall patterns (Figini & Vici, 2012; Andraz & Rodrigues, 2016; Duro, 2016). In instances where seasonality was identified as a positive force, it was shown to benefit the tourism destination and the local population (Higham & Hinch, 2002; Cuccia & Rizzo, 2011; Pegg *et al.*, 2012). Additionally, off-peak seasonality also benefits tourism practitioners who utilise the low period to enact repair and maintenance programmes, catch up on family time and enjoy periods of rest and recuperation (Baum & Hagen, 1999; Butler, 2001; Figini & Vici, 2012; Fernández-

Morales *et al.*, 2016). However, this research has surfaced the creative potential of the off-peak season to facilitate micro-firm OMs in developing new product lines, generating innovative ideas for enhancing the tourism offering and planning imaginative rebuttals to competitor activity. This creative intent positions the proactive OM within a future orientated, entrepreneurial mind-set, rather than adopting a regressive and a reactive stance and nurtures an amenable environment for adaptive capability engagement.

Probing the marketplace for environmental signals was found to be primarily concentrated within three main spheres of focus: customer intelligence (past and present); competitor intelligence (mutual exchange or secondary information); and external marketplace activity (through trade shows or agency involvement). Such a precursor to adaptive capability engagement, stems from the ability of a firm to make the requisite alterations to the routines and resource base of the business, as well as to its strategic focus (Schindehutte & Morris, 2001). Such adaptive behaviour is particularly important within firms of a smaller size (Schindehutte & Morris, 2001), due to the inevitable scarcity of firm resources (Welsh & White, 1981; Morrison & Teixeira, 2004; Devins *et al.*, 2005; Duarte Alonso & Bressan, 2014). Eshima & Anderson (2016) contend that firms that are more amenable to embracing new trends and developments, have a greater exposure to the understanding of market expectations and possess the ability to combine new and existing resources in novel, value creating ways. Thus, firms that are more proactive and engage in market sensing routines at all three levels of reach, were found to be better informed as to nascent opportunities than those firms that initiated a more restricted marketplace scan through extant customers only.

An additional advancement upon sensing the market through an existing customer lens only, is that the OM fails to connect with nascent trends and upcoming opportunities, and informs themselves of the nature of the market through truncated information sources. Previous or current customers may reaffirm or critique the tourism offering, but relying solely on such market information, positions the OM within a reactive stance, whereby they are responding to past responses rather than gearing up innovatively to embrace future trends. However, such a critique of OM behaviour, is not to detract from the vital aspect of customer engagement and the monitoring of customer feedback, as a means of enhancing the overall service levels. However, those

OMs that relied exclusively upon their current or past resource pools of customers as a tool to sense the marketplace were isolating themselves from the information rich channels of competitor and external environment intelligence.

Many of the OMs were found to adapt their senior tourism offering by accentuating the degree of authenticity that the senior tourists could partake in. The desire to enhance the customer experience beyond merely passive engagement was intrinsic within the strategic ethos of various firms. Resource stretched OMs could utilise their natural demeanour to showcase their warmth and affability, for which the people of Ireland are renowned. Such actions affirm that tourists to Ireland are attracted to authentic native experiences (Gilmore *et al.*, 2007; Su & Lin, 2014) and that tourism micro-firms can adapt their resource base to cater for this inherent desire (Thomas & Thomas, 2006; Fáilte Ireland, 2016e). This adaptive capability was developed by the OMs as a means of differentiating their respective firms from other sectoral rivals. Tourism firms are less technologically innovative than manufacturing firms and engage mainly in incremental innovation based upon previous organisational knowledge, thereby permitting adapters and rival firms to prevail over the genuine innovators (Camisón & Monfort-Mir, 2012). Interestingly, enriching the personal experience was regarded by many of the OMs as a means of directly linking the senior tourist to the cultural heritage offering and providing an authentic portrayal of Irish life.

This research study acknowledges the role of operational capabilities within tourism micro-firms and heightens this component of higher level capability development in greater detail than has been the case heretofore. Operational capabilities are how a firm earns its living in the present (Zollo & Winter, 2002; Winter, 2003; Cepeda & Vera, 2007), whereas higher level capabilities influence these lower level ones, in order to reconfigure the resource base (Collis, 1994; Teece *et al.*, 1997; Teece, 2007). Dynamic capabilities are dedicated to the modification of operational capabilities (Cepeda & Vera, 2007) which transpose a firm from its current state of operating to a desired future state (Helfat *et al.*, 2007; Augier & Teece, 2009). Thus, such operational capabilities of the firm are important in that they not only enable the firm to exist, but are also antecedents to higher level capabilities, if the OM so desires to develop them. Extant literature on micro-firm dynamic capabilities does not reside within the operational capabilities of the firm to the same degree, as is highlighted within this research study.

An additional and associated contribution of this study, is that adaptive capabilities were demonstrated to be a conscious, deliberate reworking of the existing resource base and were not developed accidentally or without prior deliberation. This finding reaffirms the work of existing literature (Zahra *et al.*, 2006; Helfat *et al.*, 2007; Ambrosini & Bowman, 2009) on higher level capability development, but it goes further by viewing the engagement process through an OM decision making lens. In doing so, the research highlights the environmental impetus and operational impediments which impact upon the propensity of each OM to develop adaptive capabilities. Alternative actions such as ad hoc problem solving and ‘fire brigade’ management were demonstrated to yield short term gains but with mixed results.

This research concurs with extant literature (Guiney, 2002; Gilmore *et al.*, 2007; Su & Lin, 2014; du Cros & McKercher, 2015; Tourism Ireland, 2017c) and reinforces the potency of the cultural heritage realm as a draw for tourism numbers. The island of Ireland is endowed with a cultural richness (Fáilte Ireland, 2017a) which, in tandem with its natural and built heritage, exert a potent allure for both national and international visitors alike (Quinn *et al.*, 2013; Su & Lin, 2014; Petr, 2015). Micro-firms within the south east of Ireland readily paid homage to the importance of the country’s cultural heritage identity in enticing overseas visitors to frequent these shores. In essence, there was an implicit acknowledgement of the attractiveness of the tourism offering in facilitating visitor footfall within the region. There was also the affirmation within the research, that senior tourists were more amenable to the cultural heritage domain than a younger demographic; a point which was emphasised by current literature (Mehta, 2007; Caber & Albayrak, 2014; Borges Tiago *et al.*, 2016; Alén *et al.*, 2016). Thus, both concepts cannot be viewed in isolation and there was a symbiotic alignment between the appeal of the cultural heritage realm and the willingness of senior tourists to participate in such an offering.

This study affirms the academic merits of senior tourism (Ryan, 1995; Callan & Bowman, 2000; Huang & Tsai, 2003; Hunter-Jones & Blackburn, 2007; Sudbury & Simcock, 2009; Le Serre & Chevalier, 2012). However, it fails to find unanimity in the assertion that seniors are currently recognised as a potent market segment (Le Serre, 2008; Sudbury & Simcock, 2009; Ward, 2014; Borges Tiago *et al.*, 2016) that has increased in prominence over the last four decades (Moschis, 2003; Nichols and Moschen, 2015). The findings dispel the notion of a universally recognised

heterogeneous segment and instead, portray senior tourists as being overlooked by many of the OMs within the sample population. Cognisance was given towards the potential benefits of attracting this segment, but for a certain cohort of the OMs, seniors were treated as extensions of the wider demographic market and not regarded as potent revenue sources within their own right.

7.5 Contributions to practice and policy

This research permeates both practitioner and legislative environments and utilises the development of adaptive capabilities to contribute towards the maximisation of off-peak senior tourism engagement. In doing so, it offers pertinent contributions to micro-firm OMs on an applied level and to governmental agencies on a policy level.

7.5.1 Practical contributions

From a real-world perspective, there is a distinct lack of attention given to the origins and development of higher level capabilities and this omission prompts criticism that the concept is of little use within the day-to-day realm of practicing managers (Peteraf *et al.*, 2013). This prompts Tallott & Hilliard (2016) to inquire into the efficacy of such intangible entities and question how managers may consciously develop these higher level capabilities. Higher level capabilities are classified as the deliberate modification, extension or creation of a firm's resource base and this critical role is the preserve of key management decision makers (Teece *et al.*, 1997; Winter, 2003; Zahra *et al.*, 2006; Helfat *et al.*, 2007; Newey & Zahra, 2009). There is an overemphasis on the economic component of management activity (Helfat *et al.*, 2007) and the behavioural aspects of managers in the development of higher level capabilities warrants further contribution (Zahra & George, 2002; Winter, 2003). This study provides OMs with a useful lens through which to examine their practices in terms of capitalising upon the potential of the growing senior market. It provides an iterative framework to segment the processes of sensing, seizing, reconfiguring and leveraging in a more intuitive and measured way and deconstructs the mystique surrounding higher level capability development.

A further contribution to practice is the notion of extending the duration of the peak trading season by perhaps a month or six weeks either side of its extremities; this would augment the viability of those micro-firms currently not operating during the off-peak period. The concept of a twelve month trading year would be counterproductive to many OMs who lack the resources, determination or strategic intent to jettison the off-

peak season entirely. Changing the mind-set that off-peak seasonality is an impervious construct that cannot be overcome (Ateljevic, 2007), requires the OM to embrace the positives emerging from periods of low tourism demand. Such benefits were shown to include the development of organisational slack, thereby offering time pressed OMs the opportunity for physical and mental rejuvenation as well as fostering a creative atmosphere for new product/ service generation. Those micro-firms that do not trade all year, may find it more practical to elongate their trading season into the off-peak period on an incremental basis, rather than endeavouring to dispense with their current rejuvenation period in its entirety.

There is an incongruity in the fact that the demographic segment that has the most potential to alleviate off-peak seasonal demand fluctuations, is the one that is the least developed amongst a certain cohort of the OMs. In many instances, senior tourists are underutilised as a low season revenue source; OMs that are proactive in their approach maximise this niche market, but those OMs that are reactive, fail to capitalise upon this sector. Treating seniors as a homogeneous market serviced by a generic tourism offering, does not offer a competitive positioning over rival firms. Adapting their product/ service to cater for blended levels of ability and interest, would enable OMs to strategically target the senior market in a manner that would encompass a wider senior spectrum, rather than a stereotypical ageism one. In the same manner that micro-firms are distinctive from SMEs, so too, not all seniors can be labelled as elderly with perceived mobility issues.

Micro-firms are synonymous with scarce resources (Welsh & White, 1981; Morrison & Teixeira, 2004; Devins *et al.*, 2005; Duarte Alonso & Bressan, 2014) and the lack of finances surfaced as an impediment, but not the sole reason, for failing to adapt to internal and external environmental signals. Other barriers were found to be a deficient skillset, desire for work life balance and a lack of tangible resources such as suitable premises or staff availability. An innovative adaptive approach to resource reconfiguration, such as enhancing the customer experience either through authentic engagement or partnering with regional firms, would offer a competitive stance without incurring excessive costs. Therefore, it would be advantageous for OMs to be resourceful and focus upon the adaptive actions available, rather than lamenting opportunities forgone.

Many of the OMs were content to sense the market through the restricted medium of current customer feedback or utilise ad hoc engagement with print and electronic media. Such a myopic information gathering lens limited the range of environmental signals perceptible to the OMs, thereby adversely filtering the frequency of potential opportunities or nascent trends. An overreliance on the insular market sensing skills of OMs could be alleviated through networking opportunities facilitated by municipal and state agencies. In this respect, many OMs lack the appreciation of a wider sphere of vision and the potency of early adoption of upcoming customer trends and changing marketplace demands. Deconstructing this 'silo' mentality and deploying an extensive network of market sensing probes beyond the current customer base, would position the OM on a more informed trajectory.

Micro-firms are not renowned for formalised strategic engagement (Gray, 2002; Reijonen & Komppula, 2007), but proponents of such a technique were regarded as being more proactive and creative than their reactive, short-term-focused counterparts. Neither are all micro-firms growth focused (Morrison & Teixeira, 2004; Ateljevic, 2009) and those that wish to sustain viability and retain a relevancy within a competitive marketplace, require a conscious effort to monitor and adapt to changing circumstances. Remaining within the sphere of operational capabilities promotes optimisation of existing routines (Zahra *et al.*, 2006; Teece, 2007; Ambrosini & Bowman, 2009) and the firm strives to maintain trading on a daily basis. Operational capabilities are not forward focused, whereas adaptive capabilities promote a desired future state of operation. The extent to which several of the OMs were content to remain within the realm of operational capabilities is a feature of the output of this study. Lower level capabilities are not merely a transit corridor towards higher levels of capability development and many firms exist without adaptive capability engagement. Efforts to promote ad hoc problem solving were seen to exhibit limited short term results and were not structured, repeatable processes as with higher level capability development.

7.5.2 Policy contributions

At policy level this research validates the importance of robust operational capability development (Collis, 1994; Eisenhardt & Martin, 2000; Winter, 2003) and whilst not all micro-firms are entrepreneurial in nature (Greenbank, 2000; Anderson *et al.*, 2015), maintaining a functional operating base is a requisite for business survival (Inan & Bititci, 2015). It highlights the requirement for closer interaction between tourism and legislative agencies and those OMs on the periphery of social engagement. Encouraging OMs to participate in state or municipal agency workshops on basic enterprise and management skills, would upgrade the OM capability skillset and provide a foundation for higher level capability development if so desired. There was a lack of unanimity in the efficacy of state agencies, and a policy of approachable engagement, rather than impenetrable bureaucracy, would alleviate the reticence of many OMs to explore options beyond their immediate sphere of acquaintances. Many of the micro-firms only interacted with state bodies from a regulatory and taxation compliance stance and effectively shunned the opportunity to become beneficiaries of the array of training and networking opportunities on offer from such entities. Further improvements in drawing micro-firms into the training arena are required to promote viable business entities at all size levels.

Many micro-firm OMs exhibited a deficient skillset in how to sense the marketplace effectively and were equally disadvantaged by a lack of business acumen to filter potential opportunities from incompatible prospects. This inability to sense, seize and leverage new products and services, may in part be attributable to the organisational structure of the micro-firm and the consequent absence of additional managerial personnel, with which to formulate strategic intent. Equally, OMs engaged in a lifestyle business (Getz & Carlsen, 2005) are focused upon maintaining internal efficiency rather than generating excessive profits through entrepreneurial actions (Lashley & Rowson, 2010). In such circumstances, core competencies that once bolstered the fortunes of the business have now become core rigidities, thereby enslaving OMs to past routines which now have diminished in effectiveness (Wang & Ahmed, 2007; Ambrosini & Bowman, 2009). However, there were several OMs that wished to engage with new opportunities but lacked sufficient training to bring creative ideas to fruition. Encouraging such OMs to participate in business development, marketing, funding or social media workshops run by Fáilte Ireland or local enterprise development agencies

would eradicate this skills deficiency and promote more economically viable businesses.

Such formalised activity would also have the advantage of counteracting the narrow focus often deployed by the research participants to market sensing, by providing a wider canvas of opportunity from which to base future endeavours. More formalised networking opportunities would also facilitate the development of adaptive capabilities, which may manifest themselves through the enhancement of customer experiences or through the creation of innovative new services and products. This would be brought about by exposing the OMs to similar or indeed complimentary firms within the industry, whereby a symbiotic partnership of shared customer access would enhance the tourism experience with minimal financial outlay. This collaborative engagement was observed within the research and micro-firm OMs partnered with other OMs or with larger firms, to pool resources for the benefit of the tourism consumer.

The vagueness of the senior tourism offering warrants consideration and manifested itself through the paucity of tailored packages, specifically geared towards the heterogeneity of a broad age spectrum. The state's tourism development agency, Fáilte Ireland, is perpetuating this nonchalance by failing to adequately differentiate between young and old seniors. Its 'culturally curious' offering (Fáilte Ireland, 2016b) is generic and sufficiently vague in nature, so as to appeal to the widest possible demographic cohort beyond middle age. This approach is inconsiderate of the characteristics of the senior sector (González *et al.*, 2009; Sudbury & Simcock, 2009) and endeavours to universally appeal to all seniors. The conundrum exists, of how to market and develop services and products targeted at senior tourists without explicitly utilising the term 'senior tourism.' The adjective 'senior' encompasses a specific demographic segment that includes a broad range of abilities and interests and those persons within this category are generally averse to using the term to describe themselves (Horneman *et al.*, 2002). However, tourism policy should reflect the variety of activities and attractions within a region as well as the diversity of individuals within the senior tourist cohort. Agencies such as 'Age Friendly Ireland'¹⁴ are a positive step towards creating a welcoming business environment for seniors, but more is required to

¹⁴ Age Friendly Ireland coordinates the national Age Friendly Cities and Counties Programme. The Programme brings together, supports and provides technical guidance to the 31 local authority-led, multi-agency Age Friendly City and County Programmes in every local authority area.

transform the senior tourism offering into a diverse platform that aligns itself with the heterogeneity of the senior sector.

7.6 Limitations to the research

There are a number of limitations to this study which warrant acknowledgement and which may act as methodological points of consideration for future researchers. As such it is appropriate to detail them as this thesis draws to a conclusion and not to assume that this body of work is the definitive answer to senior tourism adaptive capability development.

- Qualitative interviewing is prone to inherent biases by the interviewer and care was taken to ensure that the collection and analysis of primary data was uninhibited by personal characteristics and intrinsic biases. Additionally, the researcher was mindful to ensure that the semi-structured interviews were conducted in a manner so as to aid the trustworthiness of the gathered data.
- This research focused solely upon the OMs within each firm, in an effort to unearth a rich understanding of the role of adaptive capabilities to engage with senior tourists within the marketplace. It should be considered that there may have been a reluctance of the part of the OMs to divulge market sensitive information, which may have tainted the veracity of their responses.
- Tourism micro-firms were the focus of this research and there lies the potential to transpose the methodology from this study to a wider body of commercial entities such as the SME sector.
- The output of this research was a senior tourism adaptive capabilities framework geared towards culture and heritage micro-firms. The framework contextualises the research question and serves to position academic themes and concepts within a practitioner led substrate. However, the nature of an interpretivist orientation prompts an appreciation of the fluidity of contextual events to impinge upon proceedings.
- The exploratory nature of the research question and the intangibility of the concept of higher level capabilities justified a semi-structured interview approach. In order to delve deeper into the OM mind-set, beyond what could be afforded during the limited interview window, there is merit in the case study option, whereby the researcher would become embedded within the micro-firm operational scenario.

7.7 Recommendations for future research

Nascent knowledge permeates into the wider academic sphere and this research study offers forthcoming researchers the opportunity to further nudge the boundaries of extant literature within the areas of higher level capabilities, micro-firms and senior tourism.

- This research was geographically bounded by the south east region of Ireland and it could be expanded to include prominent tourism hotspots within Ireland, thereby offering opportunities to compare regional differences within micro-firm senior tourism adaptive capability development. Equally, a broader research canvas would elicit a nationwide understanding of the level of OM engagement with senior tourists and the extent to which stereotypical biases and detachment towards senior tourists are present nationally.
- Transposing a senior tourism focus from the low to the high trading season would present the prospect of gauging the level of missed opportunities for additional revenue generation from this demographic segment, when peak visitor numbers make such a focus irrelevant.
- This research was focused through an adaptive capabilities filter only, to align with the specific research question and objectives. Wang & Ahmed (2007) assert that there are two other components of dynamic capabilities (absorptive and innovative) and traversing either of these two trajectories would facilitate an alternative perspective of higher level capability development within tourism micro-firms.
- Although many tourism firms operate as autonomous units and shun collaboration with competing businesses, the reality is that the allure of a single business is subservient to the attractiveness of the destination as a whole. Partnering with other sectoral firms to augment the tourism offering, was seen as adaptive capability development, but there is scope to research this symbiotic partnership further as a means of enhancing senior tourism alignment.

7.8 Researcher reflections

One needs to actually pick up a PhD thesis to fully appreciate the sheer weight of the tome; the sturdy bound covers containing a wealth of scholarly research. And yet, for all its academic gravitas, the thesis is as much a visualisation of the researcher's journey, as it is a validation of their research prowess. Academia is the product of many voices and this thesis adds a mere note to the choral symphony of prior theorists, satisfying my intrinsic desire to be a knowledge maker, rather than a knowledge taker. Doctoral research is not a linear quest; it is circuitous and developmental in nature, aided by the support and guidance of the project supervisors.

The completed thesis is an illustration of my voyage and also of the methodology employed, transitioning from novice to expert within a chosen specialism. In qualitative research, the researcher is a fundamental part of the research instrument and as an interviewer, becomes an integral part of the data collecting process (Denscombe, 2010). Creswell (1998: p. 13) describes qualitative research as '*an intricate fabric composed of ...many colours, different textures...*' Thus, each research study is unique and the researcher weaves a tapestry of rich data that will adorn the final thesis. This embroidered understanding, the stitching together of many levels of learning, is interwoven with the confidence of life, the tacit knowledge of prior experience and the explicit knowledge of studious research.

Designing the interview questions was the first tangible step in taking ownership of the research process, connecting theory and practice in a manner that would enable rich contextual data to be uncovered. There was a sense of irony in attempting to orchestrate interviews with OMs during the height of the peak trading period; this was counterbalanced with a sense of trepidation, that doing so during the off-season would be a futile exercise, due to downtime and reduced trading hours. Anecdotally, there exists the story of a lost tourist enquiring from a helpful passer-by the way to the next town and receives the satirical retort of '*well I wouldn't start from here.*' In hindsight, such was the case with attempting to make contact with the OMs, which was primarily done through email, in the interests of enabling the potential interviewees to evaluate the request in an unchallenged manner. However, in the majority of cases, the emails either went unanswered or resulted in frustrating delays acknowledging interest in the study. In this regard, the snowball sampling technique and direct face to face

interaction elicited more timely results, but only where prior contact had been initiated through referrals.

The interviews were conducted in locations as diverse as within the surroundings of the OMs' homes, or outside against a cacophony of effervescent surf bathed in autumnal sunshine. Other interactions occurred nestled amongst the tools of working craftspeople or within historical buildings which courted antiquity. Amongst this interplay of experiences and emotions, there was the challenge of maintaining an unbiased focus on the interview process and reminding myself, as Burgess (1984) alluded to, that I was engaging in conversations with a purpose. Transcribing the interviews was time consuming but enabled the OM experiences to be absorbed in a manner befitting their importance to the research process. Finally, the transcripts were imported into NVivo and the coding process could begin. I was conscious of maintaining cognitive control over coding the nodes and regarded NVivo as a labour saving tool, rather than as an astute oracle. As such, the software aided, rather than replaced, human interpretation of both the findings and also of how the lived experiences of each OM would contribute to answering the research question, thereby ultimately adding to the body of academic knowledge.

However, extant literature is not the product of a lone soloist and there are many voices within the academic choir. The subtle nuances and varying cadences are open to personal interpretation by each research scholar. Emerging literature continues to impart its message, and this research study offers those nascent words the hope of a new voice. It is this self-perpetuating research cycle that is captured so aptly in T.S Eliot's poem 'Little Gidding.'

*'For last year's words belong to last year's language and next year's words
await another voice... And to make an end is to make a beginning.'*

7.9 Conclusion

This thesis explored the under-researched area of tourism micro-firm higher and lower level capabilities and addressed calls for further study into the role of key decision makers within the field of strategic adaptive capabilities (Schindehutte & Morris, 2001; Duarte Alonso & Bressan, 2014; Gherhes *et al.*, 2016). The impetus for this study arose in response to changing demographic trends and evolving stakeholder expectations within the tourism sector (Department of Transport Tourism and Sport, 2015; 2016b; Fáilte Ireland, 2019). The research question being multi-faceted encompassed both intangible academic concepts and practical sectoral challenges; these thematic waypoints ultimately guided the overall research design and subsequent empirical findings. The research built upon the resource based view and subsequently navigated towards dynamic capabilities as the key theoretical cornerstone. Each of the three research objectives was addressed in turn within this chapter and adaptive capabilities have been shown to be present within cultural heritage tourism micro-firms. Additionally, the interaction of such higher level capabilities upon operational capabilities enables proactive OMs to maximise the niche potential of senior tourists during the low season.

The end result is an adaptive capability framework which facilitates cultural heritage micro-firms to attenuate the adverse impact of seasonality through senior tourism engagement. The framework offers a visual interpretation of the interplay between hierarchical capability levels, market sensing based upon the strategic ethos of the firm and the transformation of extant resources through sensing, seizing, reconfiguring and leveraging routines. These concepts are bookended by the OM, who acts as the key decision maker and resource gatekeeper within the firm and also by the desired future state of operation, which is senior tourism alignment. The study proposes a suite of practical recommendations to enable tourism micro-firm OMs to be proactive in off-peak senior tourism engagement and presents them as a means of demystifying the intangibility of higher level capabilities. Each recommendation is the result of the interplay between empirical data and extant literature and serves to guide the OMs towards the goal of off-peak senior tourism engagement.

A key feature of this qualitative research study is its ability to widen the methodological literature base by adding academic substance to the intangible phenomenon of adaptive capabilities. A recurring theme within the literature is that such a concept has been described as a black box (Wang & Ahmed, 2007; Ambrosini *et al.*, 2009; Pavlou & El Sawy, 2011) and ‘inherently unobservable’ (Grant & Verona, 2015: p. 61). Guided by existing literature (Di Stefano *et al.*, 2014; Barrales-Molina *et al.*, 2014; Grant & Verona, 2015) it was possible through intuitive interview design to ascertain the operational footprint of adaptive capabilities. Furthermore, the findings generated sufficient rich data to enable valuable contributions to surface amongst the areas of knowledge, practice and policy within the field of strategic management. One of the core contributions to knowledge was that proactive OMs utilise the organisational slack within the off-peak trading period as a strategic substrate to foster creative ideas. Further findings highlighted the importance of market sensing reach, the understated potency of the senior market and the propensity of operational capabilities to act as an enabler or barrier to future firm development.

Contributions to practice arise in the form of an adaptive capability framework that provides the basis to assimilate adaptive capabilities within the workplace. Equally important is the recognition that despite the challenging trading conditions, the off-peak season is a vital strategic element within the OM strategic calendar and for many OMs it should be reduced in duration rather than eliminated entirely. Finally, policy contributions surface through proposed foundation level business courses and specific targeted marketing campaigns to target off-peak senior tourism. This brings the thesis to a close and in arriving at this endpoint it has satisfied one of the key benchmarks of a PhD, that of creating new knowledge (Finn *et al.*, 2000; Jankowicz, 2005).

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Appendices

Appendix 1: Interview Request Correspondence

Dear *****,

I am a PhD researcher at Waterford Institute of Technology, investigating senior tourism and how micro-business owners (with less than 10 full time employees) reconfigure part of their offering to meet the needs of the 'over 55s' tourism market.

My research seeks to understand the thoughts and experiences of business owners on a range of issues such as how to actively develop skills aimed at attracting senior tourists and the impact that this has had on the business.

The outcome of the research will offer insights into how micro-firms may become more competitive during the off-peak season by tapping into the senior market.

Your experience in dealing with a broad spectrum of visitors while offering them a unique insight into our Irish heritage would be of great value to the research project.

Therefore, I would be appreciative if you would be willing to participate in a short interview, of less than an hour, at a location convenient to you. All information disclosed will be treated in a confidential and professional manner.

I appreciate that this request may require further clarification and I would be delighted to discuss the matter with you either through email or by telephone.

Kind Regards,

Noel Kelly

PhD Researcher,

Waterford Institute of Technology.

*Telephone: 087 ******

Email: noel.kelly@postgrad.wit.ie

Address: AT124, School of Business Waterford Institute of Technology,

Cork Rd, Waterford.

Website: www.rikon.ie / www.wit.ie

Appendix 2: Interview Questions

Opening questions
<ul style="list-style-type: none"> • What brought you into this business?
<ul style="list-style-type: none"> • Can you describe the nature of your business?
<ul style="list-style-type: none"> • How long have you been trading?
<ul style="list-style-type: none"> • What is your background? <p>Probe: Have you had any formal training?</p>
<ul style="list-style-type: none"> • How many people do you employ?
<ul style="list-style-type: none"> • How many months during the year do you trade? <p>Probe: What are the challenges in opening all year (Helfat <i>et al.</i>)?</p>
<ul style="list-style-type: none"> • As an owner/ manager, you undertake multiple roles within the business. If you were to take a step back for a moment, what are the main personal skills or capabilities that are required to run the business?
The senior tourism offering
<ul style="list-style-type: none"> • What product or service are you actively offering to those tourists over 55 years? <p>Can you give me an example?</p>
<ul style="list-style-type: none"> • How is this engagement with the senior tourist embedded within the fabric of business? <p>Probe: Was it deliberate or accidental?</p>
<ul style="list-style-type: none"> • How do you become aware of the needs and requirements of your senior customers? <p>Probe: What controls are there to determine if you are giving them what they want?</p>
<ul style="list-style-type: none"> • What are the benefits of dealing with the ‘over 55s’ market? <p>Probe: Any drawbacks?</p>
ADC processes & components
<ul style="list-style-type: none"> • When you see a new opportunity in the marketplace, how do you develop new routines or bring in new systems to take advantage of that opportunity? <ul style="list-style-type: none"> • Can you give me an example? • If not, why so?
<ul style="list-style-type: none"> • Can you tell me how you ‘tune in’ to what is happening in the wider marketplace?
<ul style="list-style-type: none"> • You have a hands on approach, very much at the coalface of your business. How do you weigh up what information is important? <p>How does that new information get acted upon within the business?</p>
<ul style="list-style-type: none"> • How do you change the resources at your disposal (staff, equipment, experience) to take advantage of new opportunities in the marketplace?

<ul style="list-style-type: none"> • How do you then implement new systems or processes in response to an identified market need?
<p>The owner/ manager lens</p>
<ul style="list-style-type: none"> • How do you resolve the conflict between the limited resources associated with a small business and the demands of the marketplace?
<ul style="list-style-type: none"> • Can you tell me what prompts the creation of new products or services in your business? <p>Who do you bounce new ideas off?</p>
<ul style="list-style-type: none"> • How open are you to embracing new ideas or do you prefer to stick with what has worked before? <ul style="list-style-type: none"> • Can you give me an example of that? <p>Probe: How do you gauge that what you do is relevant?</p>
<ul style="list-style-type: none"> • How do you become aware of what your competitors are up to? <p>Probe: Where do you look and what then do you do with that intelligence?</p>
<ul style="list-style-type: none"> • Do you find it difficult to be innovative and set your business apart from others? <ul style="list-style-type: none"> • Can you give me an example? • When was that? • Do you have any concerns about competitors copying your good ideas? <p>Probe: How can you counteract that?</p>
<ul style="list-style-type: none"> • How do you approach strategic decision making, i.e. how do you direct the scope of the firm's activities over the long term? <p>Probe: Is it planned in advance, or does it tend to be spontaneous?</p>
<p>Closing remarks</p>
<p>As a reminder, this study explored...</p> <ul style="list-style-type: none"> • Given this aim, do you have any other comments that you think may be relevant that we haven't covered? <ul style="list-style-type: none"> • Next steps/ Follow up • Have you any other comments that you would like to add?

Appendix 3: Interview Protocol

Dear *****,

Thank you for agreeing to participate in this research project to explore the development of the senior tourism market amongst micro-firms.

Prior to beginning the interview, please be aware of the following ethical and procedural guidelines:

- Participation within this research study is entirely voluntary and you may withdraw from it at any stage
- You are free to decline to answer any question
- Your permission is sought to record the audio of this interview
- The audio recording is in the interests of accuracy and to facilitate data analysis
- All data collected will be treated in a confidential and professional manner
- Participants and their businesses will not be named, and their identity will be anonymised with a unique reference code

The conduct and content of this interview is subject to a strict ethical protocol as defined by Waterford Institute of Technology's ethical guidelines for researchers. No identifying features will be present to jeopardise the confidentiality and anonymity of this interview. Extracts of this interview, limited to certain phrases or descriptions, may be used in research papers and in the final thesis. A copy of the interview transcript can be made available to you upon request.

If you understand and accept the conditions under which your valuable contribution will be incorporated into the research project, then please sign the form below.

Researcher: -----

Noel Kelly

Interviewee: -----

(Interviewee)

Date: _____

Noel Kelly

(Interviewee)

PhD Researcher

(Business Address)

Waterford Institute of Technology

Telephone: 087-*****

Appendix 4: NVivo Coding Structure Examples

Example of Coding Structure (1):

adaptive capability		2	5
adjust strategic focus		16	60
enhance customer experience		19	88
improve product		19	64
nascent opps		12	23
ongoing adjustments		18	59
appeal of C&H		19	68
regionality		18	43
south east		5	12
capabilities		1	3
higher order		12	41
operational		14	40
comp adv		3	6
challenges		15	31
importance		16	32
own comp adv		20	85
transient nature		17	41
competitors		13	31
negative competition		11	18
positive competition		20	75
desired future state of operation		9	13

Example of Coding Structure (2):

dynamic capabilities		0	0
black box		8	9
change resource base		11	18
create new products		17	46
diversification		11	25
learned activity		18	55
modify routines		16	27
regenerative mechanism		19	53
respond to change		15	21
sense opps & threats		19	45
solve problems		11	21
tacit knowledge		10	21
Emerging Ideas		1	1
Idea		0	0
Idea (2)		0	0
Idea (3)		0	0
innovation		4	4
catalyst		22	85
importance		13	18
incremental		13	27

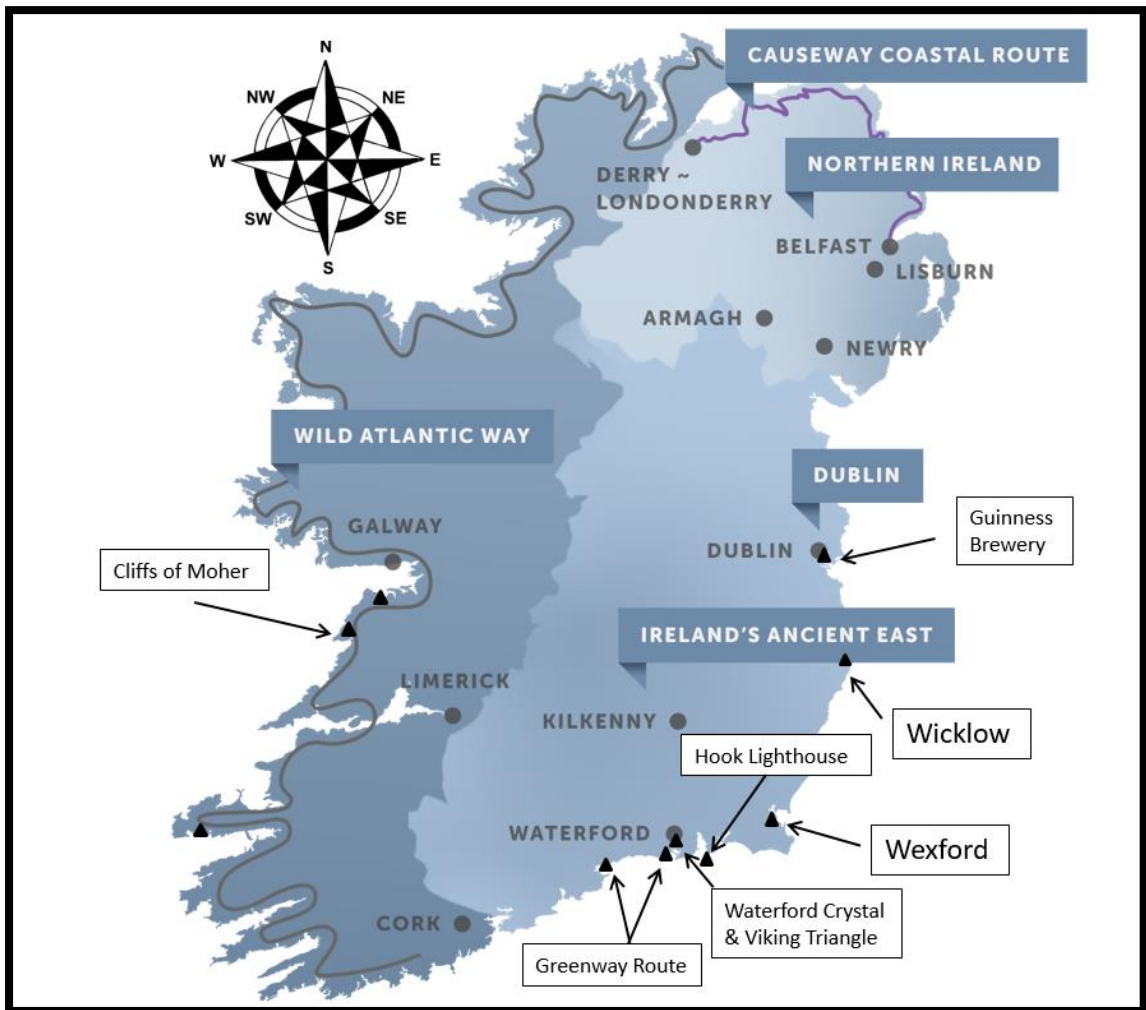
Example of Coding Structure (3):

market sensing		15	29
competitor intelligence		21	53
customer intelligence		22	65
filtering		14	32
market intelligence		22	67
novel ventures		24	84
market volatility		10	11
owner manager		0	0
ad hoc problem solving		7	12
background		20	27
bureaucracy		19	53
preserve status quo		9	25
pressures		21	81
traits		23	126
seasonality		8	17
duration of trading		17	21
negatives		21	41
positives		17	27

Example of Coding Structure (4):

seniors		7	16
heterogeneous		12	18
homogeneous		18	49
invisible market		8	14
senior advantage		22	78
senior disadvantage		19	49
senior offering		19	64
accidental		6	7
deliberate		10	14
strategic fit		3	3
adapt resources		22	56
identify opportunities		23	158
planned		18	74
spontaneous		8	16
strategy & performance		16	36
tourism service-product uniqueness		1	1

Appendix 5: Destination Map of Ireland



Source: Adapted from (www.ireland.com)

Appendix 6: Ethics Clearance Email

Professor Denis Harrington, Chair of the Research Ethics Committee, School of Business, Waterford Institute of Technology



From: Denis Harrington
Sent: 06 September 2017 14:00
To: Jamie Power
Cc: Felicity Kelliher; Patrick Lynch
Subject: Re: Noel Kelly PhD Research Student - Ethics Committee Query

Dear Jamie,

Thank you for your email.

In my view this research study would not have to be submitted to the Ethics Committee. The interviews will be undertaken with other consenting adults and given the experience of the supervisory team, I do not envisage there to be any identifiable risks to other parties.

Kind rgds

Denis

Appendix 7: Interview Template Mind Map

