

Press Release

15 January 2015

PolyU Study Finds Business Motivation Determines SMTE Learning Preferences and Industry Engagement

The extent to which the proprietors of small-and medium-sized tourism enterprises (SMTEs) are motivated by career or lifestyle concerns determines their knowledge acquisition preferences and industry engagement according to Professor Brian King of the School of Hotel and Tourism Management (SHTM) at The Hong Kong Polytechnic University and co-authors. In a recently published paper, the researchers categorise the proprietors of Australian SMTEs as either “growers” or “lifestylers” and examine whether the two groups differ in their “preferred information and learning channels”. The differences that emerge suggest that business support organisations should tailor services for the two groups to “suit the strategic priorities of destinations and relevant industry sectors”.

The acquisition of knowledge and development of skills are essential to the survival of all types of enterprise. Yet the researchers note that smaller businesses are generally disadvantaged relative to their larger counterparts because they tend to be “less well informed”, lack resources and finance and “struggle to adopt new technologies”.

This is particularly germane to the tourism industry, which is dominated by small- and medium-sized tourism enterprises. Many proprietors are motivated more by lifestyle factors than “commercial objectives and profit maximisation”, the researchers observe. For instance, tourism start-ups are often prompted by redundancy or long-term unemployment, and women in particular tend to be drawn to the industry in search of flexibility. However, the proprietors of small tourism businesses often have no explicit financial objectives or intentions to expand.

The researchers note that destination marketing organisations can sometimes appear frustrated by the reluctance of such enterprises to improve productivity. However, it is possible that business owners with different motivations may place different levels of emphasis on “knowledge development and information consumption”. Hence, it could be possible to identify better ways of engaging different types of SMTEs if more could be known about how they access information, engage in learning and develop knowledge.

With this in mind, the researchers set out to “identify the ambitions of SMTE proprietors” and examine how those ambitions influence their business practices, what kind of information they seek, where they seek it and how they make use of it.

The researchers initially conducted interviews and focus groups with industry stakeholders to identify the issues that should be covered in a questionnaire for SMTE

proprietors. The questionnaire was distributed via email to SMTEs throughout Australia with the help of various tourism associations and organisations.

The proprietors were asked about their preferred types of information and training. They were also asked about their primary business goals and the extent of their engagement with the industry through tourism associations, business networks and so on. Depending on the responses, the researchers grouped the proprietors into “growers” and “lifestylers” according to whether they “planned to grow their business over the subsequent 12-month period”. Growers, they write, were more likely to have established their businesses as “more of a career choice”, whereas lifestylers were more likely to be located outside of the competitive urban environment in rural and regional areas.

When considered as an undifferentiated group, the proprietors most often sought marketing and sales-related information, with the Internet “overwhelmingly the most significant source”, according to the researchers. Indeed, the intense use of search engines and websites contradicts “the widely held view that SMTE proprietors are technophobic and unwilling to engage with the digital environment”.

The proprietors considered tourism and industry associations “trusted sources of information” and support for “both day-to-day operations and longer term development”, the researchers observe. However, external sources such as government bodies, consultants and advisors were the only sources that they frequently used for long-term decision making.

Despite the extensive use of the Internet as an information source, tourism proprietors made limited use of social networks, webinars, blogs and podcasts. The researchers explain that this lack of enthusiasm may be “less related to technology and more about the nature, structure, organisation and delivery of relevant information”. Although such sources may offer “interesting narratives and reflections”, they can be frustrating for proprietors seeking specific information.

Likewise, the proprietors showed little interest in online training, preferring alternatives that allowed interactions between participants with leaders acting as facilitators. The majority of proprietors also said they would not participate in formal training unless they could not access the information elsewhere. A minority of 13% said they would be unwilling to contemplate attending formal training “under any circumstances”, the researchers relate.

When comparing the lifestylers and growers, the researchers found that growers were more likely to identify increased customer numbers and improved profitability as business goals. Lifestylers were more likely to identify goals such as improved quality of life and achieving a work-life balance. Compared with lifestylers, growers generally sought more information and used a “greater diversity of media”, which they also found more helpful.

In terms of their engagement with tourism and business organisations, growers were more likely to be engaged with business communities and to be members of organisations such as chambers of commerce. Lifestylers, in contrast, were more likely to be active participants in tourism-related organisations. The researchers explain that lifestylers want to “reach out and feel connected to” a wider community of tourism

operators who “share common lifestyle aspirations”, whereas growers have “more explicit objectives” when building social networks, and seek contact with “experienced and knowledgeable people” who can help them build a successful business.

Given the explicit differences in the information and training preferences of growers and lifestylers, there should be a good deal of scope to tailor support services for them. This is particularly important because, as the researchers note, government departments, training bodies, service providers and economic development agencies “devote considerable resources to identifying the businesses that are likely to engage most actively”. These organisations should make the best use of their resources by understanding what type of information is “most likely to elicit a response” from which type of business.

For instance, it would be helpful for organisations to recognise that growers are more interested in seeking knowledge and “pursuing business-related outcomes”, the researchers argue. Lifestylers are more interested in “pursuing industry-related outcomes”. The researchers also emphasise that the “traditional approach to SMTE development” is only likely to work for operators interested in “developing the commercial performance of the business”. Lifestylers, in contrast, “seek to ‘do tourism well’” and merely make a sustainable living.

In short, there can be no effective “one-size fits all” approach to information provision for SMTEs. Recognition of the important differences between growers and lifestylers is a first step in ensuring the provision of appropriate information, training and engagement opportunities. The researchers suggest that next steps could include examining how their different characteristics influence other aspects of SMTE operations, such as profitability, competitiveness and longevity.

King, Brian Edward, Breen, John and Whitelaw, Paul. (2014). Hungry for Growth? Small and Medium-sized Tourism Enterprise (SMTE) Business Ambitions, Knowledge Acquisition and Industry Engagement. *International Journal of Tourism Research*, 16(3), 272-281.

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