

**RAPPORT  
HÖGSKOLAN VÄST**

**Nr 2015:3**  
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# **A Nordic Perspective on Co-Operation for Sustainable Destination and Regional Development**





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Keywords: co-operation, destination development, regional development, sustainability, tourism



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## Abstract

This research report contributes to a Nordic perspective on co-operation for sustainable destination- and regional development based on studies conducted within a Swedish-Danish Interreg project 2012-2014 (MARIFUS). An introduction chapter with major themes initiates this report followed by five chapters<sup>1</sup> written by researchers from Aalborg University, Denmark (Incevida) and University West, Sweden (School of Business, Economics and IT). The purpose of this report is to give deeper insights in Nordic destination and regional development by empirical case studies. These studies have been presented and discussed at seminars during international scientific conferences within regional science (the 16th Uddevalla Symposium 2013 in Kansas City, USA and the 17th Uddevalla Symposium 2014 in Uddevalla, Sweden) organized by University West. The contributions are interdisciplinary in that sense that they are written by scholars from different scientific disciplines such as business administration, informatics, planning and culture studies. However, all scholars have a destination and/or regional perspective as a point of departure in the case studies conducted. The three-year project offered great opportunities to cross-border learning and applied research in close co-operation (Work integrated learning) with project partners and students.

The studies are partly supported by the project MARIFUS “*Maritime Inlands – past, present and future strengths*” financed by the European Union Regional Development Fund (Interreg IV A). The editors express sincere gratitude to all authors and all partners of the MARIFUS project.

**Keywords:** co-operation, destination development, regional development, sustainability, tourism

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Trollhättan, September 2015

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## Sammanfattning

Denna forskningsrapport bidrar med ett nordiskt perspektiv på samverkan för hållbar destinations- och regionalutveckling baserad på studier inom ett svenskt-danskt Interregprojekt 2012-2014 (MARIFUS). Rapporten inleds med ett introduktionskapitel med huvudtema, följt av fem kapitel skrivna av forskare från Ålborgs Universitet, Danmark (Incevida) och Högskolan Väst, Sverige (Institutionen för Ekonomi och IT). Syftet med rapporten är att ge djupare insikter i nordisk destinations- och regionalutveckling genom empiriska fallstudier. Dessa studier har presenterats och diskuterats vid seminarier vid internationella vetenskapliga konferenser inom regionalvetenskap (16:e Uddevalla Symposiet 2013 i Kansas City, USA och 17:e Uddevalla Symposiet 2014 i Uddevalla, Sverige) som anordnades av Högskolan Väst. Bidragen är tvärvetenskapliga då de är skrivna av forskare från olika vetenskapliga discipliner såsom företagsekonomi, informatik, planering och kulturvetenskap. Alla forskare har emellertid ett destinations- och/eller regionalt perspektiv som utgångspunkt i fallstudierna som genomförts. Det treåriga projektet erbjöd goda möjligheter till gränsöverskridande lärande och tillämpad forskning i nära samarbete (Arbetsintegrerat lärande) med projektpartners och studenter.

Studierna genomfördes med bidrag från projektet MARIFUS "*Maritime Inlands – past, present and future strengths*" som delfinansierades av Europeiska Unionens Regionala Utvecklingsfond (Interreg IV A). Redaktörerna vill slutligen framföra tack till författarna och alla partners i MARIFUS-projektet.

Högskolan Väst  
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Trollhättan i september 2015

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# Table of Contents

1. Introduction .....	1
1.1 Destination development.....	1
1.2 Regional development.....	2
1.3 A cross-border co-operation within the MARIFUS project.....	4
1.3.1 Regional challenges.....	4
1.4 Included chapters .....	5
1.5 Project results, implications and further research .....	5
2. Destination Development with Focus on Strategic Use of Inland Water Areas as Experiencescapes.....	10
2.1 Introduction.....	10
2.2 Theoretical framework .....	11
2.2.1 Water-based tourism experiences along canals, rivers and lakes.....	12
2.2.2 The complexity of tourism experiences .....	13
2.2.3 Tourism experiences and storytelling.....	14
2.2.4 Collaboration on the creation of experiencescapes.....	15
2.3 Methodology.....	18
2.4 Findings .....	20
2.4.1 Trollhätte Canal – one canal, two cities .....	20
2.4.2 The Limfjord – a fjord of experiences .....	22
2.4.3 Løgstør and the Frederik VII Canal – The town of mussels.....	24
2.5 Discussion and conclusions.....	25
2.5.1 How and by whom are inland water experiencescapes created?.....	25
2.5.2 In what ways is storytelling applied within the experiencescapes?.....	27
2.5.3 What are the challenges faced in destination collaboration in inland water areas?.....	27
2.5.4 Limitations and further research .....	28
3. Operationalization of Social Capital in Small Communities – The Impact of Social Media .....	32
3.1 Introduction and research issues .....	32
3.2 The peripheral setting.....	33
3.3 Tools and methods .....	34
3.4 The 14 villages and the associations.....	35
3.5 The associations and the social media.....	39
3.6 Reflections.....	42
4. Municipal Support of Entrepreneurship and Business Development from an e-Government Perspective.....	44
4.1 Introduction.....	44

4.1.1 Aim of the chapter .....	46
4.2 Methods and material .....	46
4.3 Context and concepts .....	47
4.3.1 E-government .....	47
4.3.2 Entrepreneurship .....	48
4.3.3 Network .....	48
4.3.4 The Swedish settings .....	48
4.4 Findings .....	49
4.4.1 Municipality A .....	49
4.4.2 Municipality B .....	51
4.4.3 Tourism company .....	52
4.5 Analysis and discussion .....	53
4.5.1 Supporting entrepreneurship and business development .....	53
4.5.2 Support of entrepreneurship and local development using e-government .....	54
4.6 Conclusions .....	55
5. A Study of Small Enterprises with Focus on Entrepreneurship and E-government in a Regional Development Context .....	59
5.1 Introduction .....	59
5.1.1 Background and aim .....	60
5.2 Methods and material .....	61
5.2.1 Empirical data .....	61
5.3 Context and contents .....	62
5.3.1 Entrepreneurship .....	62
5.3.2 E-government and social media .....	63
5.3.3 The role of networks and networking for small enterprises .....	64
5.4 Findings .....	65
5.4.1 Municipal support of enterprises in the perspective of regional development .....	65
5.4.2 The use of municipal e-services .....	68
5.5 Analysis and discussion .....	70
5.5.1 How do the small enterprises clarify their experiences in order to develop entrepreneurship for regional development? .....	70
5.5.2 How do the small enterprises articulate their view on how the municipalities support them regarding local e-government? .....	72
5.6 Conclusions .....	72
6. <i>Becoming</i> an Innovative Tourism Destination -Theoretical Concepts for Sustainable Growth in the Tourism Industry .....	76
6.1 Introduction .....	76
6.2 Culture .....	77
6.3 Work-Integrated Learning .....	79

6.4 Conversation vs debate ..... 80

6.5 Sustainability and the value of uncertainty ..... 82

6.6 A small but important step ..... 84

6.7 How to release the hidden power of creativity ..... 85

6.8 A sustainable destination build on uncertainty and creativity, from below ..... 87

# 1. Introduction

This research report contributes to a Nordic perspective on co-operation for sustainable destination- and regional development based on studies conducted within a Swedish-Danish project. This chapter introduces the research fields of destination- and regional development as well as the cross-border project. The empirical context of this Nordic project and the included studies by researchers from Aalborg University, Denmark and University West, Sweden, are also described.

## 1.1 Destination development

In recent years the growth of tourism and destination development has been viewed as key elements in local and regional development (Svensson, Nordin and Flagestad, 2005). A destination may refer to a geographical unit as a city, town or region visited by tourists (Cho, 2000). Destination development is broadly defined as a process to improve the attractiveness of a region or place. At most destinations stakeholders from private, public and voluntary sectors interact and there is a need for coordination and co-operation (see Garrod, Fyall, Leask and Reid, 2012; Getz, Andersson and Larson, 2006). The Nordic countries have related historical bonds (Hall, Müller and Saarinen, 2009) and have similar social structures, cultures and traditions (Nordic Council of Ministers, 2001). Furthermore the Nordic countries share the characteristics of low population density compared to many other European countries hence nature-based and rural tourism are of major importance in the Nordic tourism sector. Issues of sustainability are accordingly of importance to the tourism and hospitality sector. There is also an increasing interest for the Nordic cuisine. The region is moreover characterized by high level of IT skills and IT usage among Nordic people (Haukeland, Therkelsen, Furunes and Mykletun, 2010) and the Nordic region. The traditions of volunteering are strong and since social welfare is generally provided by government funding, many volunteers are active in leisure, local community and tourism contexts (Hodgkinson, 2003; Olsson, Therkelsen, and Mossberg, 2013). Tourism is an important industry in the Nordic countries and hence often viewed as a 'saviour' for peripheral settings or regions in change (Hall, Müller and Saarinen, 2009). Many Nordic regions struggle with problems concerning depopulation, closure of industries and unemployment. New opportunities, industries and identities emerge often linked to local unique features, entrepreneurship, IT and issues of sustainability. Hall et al., (2009) strongly point out that it is of importance to *integrate* tourism development within the development goals and strategies of regions and communities, not the other way around.

Marketing and managing destinations is often challenging due to the mix of destination stakeholders, complex relationships and often divergent individual objectives and visions (Buhalis, 2000; Wang and Krakover, 2008). Studies show that local competitors coordinated in network can give synergy effects and hence boost destination attractiveness. However 'balancing acts' are required to avoid conflicts (Bengtsson and Kock, 2000; von Friedrichs Grängsjö, 2003; von Friedrichs Grängsjö and Gummesson, 2006). The balance between stakeholder co-operation and competition within a destination is delicate and the destination may either develop or stagnate whether stakeholders act as rivals or are able to co-operate (von Friedrichs Grängsjö, 2003). However recent studies show that the opportunity to create positive synergy effects among destination network partners often are not fully exploited (Gellerstedt and Gråsjö, 2014; Olsson, 2014b). One reason for this may be explained by a lack of understanding and handling the balance between cooperation and competition.

An escalating competition among destinations has raised calls for innovative offerings that are well-coordinated. Studies of tourism destinations show that networks are crucial since successful destinations are based on interrelated stakeholders that understand the concept of the destination and are committed to cooperate in offering a holistic experience to visitors (see Bornhorst, Ritchie and Sheehan, 2010; Morgan, Elbe and Curiel, 2009; Swarbrooke, 2001). Tourism experiences are

often created, staged (Pine and Gilmore, 1998), sculpted (Ooi, 2005) or shaped (Kastenholz, Carneiro and Marques, 2012) by a mix of destination stakeholders. The network of destination stakeholders create the setting, physical or imagined, known as experiencescapes i.e. “spaces of pleasure, enjoyment and entertainment” (O’Dell, 2005, p. 16). An experiencescape consists of a room, i.e. the physical surroundings, though also social surroundings e.g. visitors, staff, local residents (Arnould and Price, 1993).

Many destinations have realized the potential of water. Water and water front areas may offer a broad range of experiences for tourists and local residents. Marine (ocean) and coastal tourism are among the fastest growing areas within contemporary tourism industry (Hall, 2001). However, inland areas show an increasing interest in using inland water features such as canals, rivers, and lakes as vital key elements in destination development (Hall and Härkönen, 2006). There is a growing exploration and (re)development of waterways sites with surrounding areas used for leisure, recreation, sport and tourism (Erfurt-Cooper, 2009; Jennings, 2007). In contemporary society the interest in using waterways such a canals, rivers and lakes as tourism resources is increasing (Prideaux, Timothy and Cooper, 2009).

There is an emerging academic literature of destination development. However the understanding of the complex phenomenon destination is still limited and further studies are encouraged (Prideaux, 2015). The process of destination development is not an isolated phenomenon thus need to be closely integrated to local and regional goals and strategies (Hall et al 2009). Furthermore the concept of sustainability need to be considered as it is currently one of the main issues in tourism (Hall, Gössling and Scott, 2015) and hence closely intertwined with destination and regional development processes.

## **1.2 Regional development**

Evidence in recent research show that regional development is context-dependent and not the same in every place (e.g. Ejerimo, 2009; Audretsch et al., 2012; McCann and Ortega-Argilés, 2013). It is the particular attributes of places that shape whether, how and to what degree specific regional development definitions and varieties take root and flourish or fail and wither over time (Pike et al., 2007). According to McCann and Ortega-Argilés (2013) the reasons for this relate variously to questions such as the nature of the local industrial structure (Iammarino and McCann, 2006), the presence of knowledge-related institutions (Morgan, 1997), an environment favorable to innovation and research (Ortega-Argilés and Moreno, 2009b; Cozza et al., 2012), changing knowledge transaction costs (McCann, 2008) and the environment for entrepreneurship (Sternberg, 2011). This should be seen in relation to research that claim that the impact of structural transformation processes varies in different parts of the world which imply the importance of discussing various regional conditions for economically sustainable development (Malecki 1994; von Friedrichs and Boter 2009). It is also argued that, regional development is a multidimensional phenomenon, with a resulting lack of a single definition of the concept (Das, 1999; Westholm, 2008; Karlsson, 2012).

There is a great demand in the strategy of fostering regional development and growth by promoting entrepreneurship and entrepreneurship has been regarded as a positive driving force for regional and local economic activity e.g in terms of job creation (Malecki, 1994; Acs and Armington, 2004; Berglund and Johansson, 2007) and social and structural transformation (Feldman, 2001). The relationship between regions and entrepreneurs is intertwined as regional characteristics provide opportunity and resources for entrepreneurs, while entrepreneurs simultaneously shape the local environment (Feldman, 2001).

Social capital has been regarded as a constructive element in the creation and maintenance of economic prosperity (Fukuyama, 1995) and regional development (Grootaert and Bastelaer, 2002;

Karlsson, 2012; Westlund, 2011). There is however no single definition of the concept of social capital (Karlsson, 2012; Westlund 2011). The term has gained a growing interest as an approach to analyse the role of intangible factors, such as trust, networks and institutions in the overall regional economic development (Karlsson, 2012) as well as in peripheral areas (Westlund, 2011). Karlsson (2012) claim that social capital has developed into one of the most critical factors for regional economic development policies in the modern global society. This is strongly related to the degree of trust between firms, organizations and individuals in a region. Regions with high social capital and trust seems to be able to initiate and execute regional economic development strategies and projects more easily and more effectively than regions with low social capital and low trust. However, the difficulties in defining and operationalizing, and measuring social capital, imply that more theoretical and empirical research is needed to better understand the concept of social capital in the context of regional and destination development.

Co-operation among different actors may have positive impact on regional development (Bernhard and Wihlborg, 2014; Halkier and Therkelsen, 2013) and networking is an important business activity for entrepreneurs (Bernhard and Karlsson, 2014) e.g. in destination development (Bernhard and Grundén, 2014b). Given that entrepreneurship is context dependent, it is likely that entrepreneurship unfolds differently in different settings and does not flourish evenly across regions. Thus the local business environment, e.g. networking and various forms of municipal support such as through information and communication technology (ICT), may play an important role for entrepreneurs such as the local microenterprises.

Recent research implies that the concept of sustainable development is a normative and complicated term (Assmo and Wihlborg, 2014). Largely, the on-going debate about sustainable development takes its point of departure from the view presented in the World Commission on Environment and Development (WCED) report “Our Common Future”. Here the concept is described as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” (World Commission on Environment and Development 1987:43). This general broad definition may be seen as a form of international guidance for policies to balance economic and social systems and ecological conditions by focusing on a triangle in which sustainable development is formed by people (the social dimension), planet (the environmental dimension), and profit/prosperity (the economic dimension). According to OECD (2013) and United Nations (2012), e-government holds tremendous potential to achieve sustainable development goals at all levels. Recent research show that e-government has a potential to plan for, and promote, sustainability in local development (Bernhard & Wihlborg, 2015). This has implications for regional development as local development takes place in a regional context and may therefore be said to be a part of regional development.

According to Osimo (2008) many European governments, including the Nordic region, believe that ICT-enabled public services which is included in the concept of e-government, will have a considerable impact on regional development and economic growth. E-government can be defined as the use of primarily Internet-based information technology to enhance the accountability and performance of government activities (DeBenedictis et al. 2002). These activities are characterised as being executive for including a government’s execution of activities, especially service delivery; access to government information and processes; and the participation of organisations and citizens in government. The development of e-government is however formative. For example, social media, new technological applications and changes in administrative practices continuously re-construct usage, meanings and practices (Fountain, 2001). Thus social media may be defined as a part of e-government. This is the definition used in this report. Social media is being used more and more by municipalities (Bonsón et al., 2011; Klang and Nolin, 2011; Magro, 2012) as a way to communicate with e.g. enterprises.

### 1.3 A cross-border co-operation within the MARIFUS project

The chapters of this report originate from empirical studies within the Interreg IVA project, MARIFUS, *Maritime Inlands – past, present and future strengths* financed by European Union Regional Development Fund, 2012 -2014. Participating project parties were: from Denmark: Limfjordsmuseet, Nordjyllands Kystmuseum, Nätverk Limfjorden, Aalborgs Universitet, INCEVIDA. From Sweden: Innovatum Science Center, Trollhättans Stad, Vänersborgs Kommun, Visit Trollhättan-Vänersborg AB, and Högskolan Väst, Institutionen för Ekonomi och IT.

The MARIFUS project applied an experience economy based perspective and the project aimed to profile maritime heritage environments in inland water areas around the Kattegat/Skagerrak. The purpose was to improve destination attractivity by creating a cross-border platform for interaction and exchange of experiences between Danish and Swedish project partners around the Limfjord, the Vendsyssel Kattegat coast, the Trollhätte Canal and the Lake Vänern. Focus was on developing maritime cultural environments in a sustainable way. Furthermore the aim was to cooperate for innovative destination development to increase the attractiveness of maritime cultural environments and to develop the profiling and communication of maritime heritage environments around inland water ways. Three major themes were emphasized throughout the project: i) Maritime cultural environments as development sites with focus on increasing the attractiveness of maritime culture environments, ii) Innovative destination development based on experiences, events, co-operation and entrepreneurship, and iii) Profiling and communication of maritime culture environments.

#### 1.3.1 Regional challenges

The studied area within the Kattegat/Skagerrak region consist of two major inland waterways, the Limfjord and Trollhättan Canal and Lake Vänern. Between these the Vendsyssel Kattegat Kyst in Denmark acts as a natural link between the two regions. The studied areas have long inner coastal stretches with varying maritime heritage environments, channel areas, ports, urban and natural areas. The studied regions have several challenges as they are undergoing structural changes, and struggle with high unemployment, depopulation and competition from popular coastal tourism areas (Olsson, et al. 2012).



Figure 1. Studied regions.

## 1.4 Included chapters

In the second chapter: *Destination Development with focus on Strategic use of In-Land Water Areas as Experience-Scapes*, Anna Karin Olsson explores the strategic use of inland water areas as experiencescapes to promote destination development. A destination marketing perspective is applied on stakeholder co-operation in creation of experiencescapes and the use of storytelling along canals, rivers and lakes. Three destination cases are studied Trollhätte Canal, Frederik VII's Canal in Løgstør, and the Limfjord. Findings show a varied mix of experience elements and dimensions in the co-operation around inland water areas. Olsson (2014a) shows that various local approaches for co-operation, collaboration and management of destination stakeholders were used.

The third chapter: *Operalization of Social Capital in Small Communities – the Impact of Social Media*, by Elisabeth Lauridsen Lolle, analyzes regional development in peripheral areas. The contribution includes the examining of the social capital and particularly the influence of social media on the social capital in 14 Danish villages. Lauridsen Lolle (2013) argues in this in depth research that when examining the social capital of communities, the most valuable parameter is to look at associations and in particular the character of these associations as these are the most typical proxy for networks. The study also shows that we might have to extend the notion of network to include that of social media as this type of network gets increasingly more important.

The emerging e-society challenges relations and co-operation between public institutions and business in many ways, as stressed by Irène Bernhard and Kerstin Grundén in the fourth chapter. The focus in this study is on efforts of local municipalities and a tourist company to develop digital services to support regional development in a region undergoing structural change in the third chapter. The title is: *Municipal support of Entrepreneurship and Business Development from a local e-Government perspective. A case study of two Swedish municipalities*. Bernhard and Grundén (2013) shows that the result indicate that e-government services so far have under-used potential for the studied municipalities and the tourism company in order to support efficient communication and information towards the entrepreneurs and businesses aiming at local and regional development.

The fifth chapter: *A Study of Small Enterprises with Focus on Entrepreneurship and E-government in a Regional Development Context*, is a further development of Bernhard and Grundén (2013). In this study Irene Bernhard and Kerstin Grundén have extended the research to include the view of small enterprises contributing to destination development within the same region. Based on a theoretical discussion of entrepreneurship, e-government and regional development, the results indicate that networks and strategic networking are important for small enterprises both in terms of developing the enterprise but also to develop entrepreneurship for regional development. Bernhard and Grundén (2014a) show that the use of local e-government was hitherto limited to e-services for public procurement. The use of social media was also limited for most of the enterprises, although the potential of social media for marketing was seen as extensive.

In the final chapter: *Becoming an innovative tourism destination – theoretical concepts for sustainable growth in the tourism industry*, Eddy Nehls, briefly sketches out some guidelines for a new mindset to promote innovation and growth in tourism from a cultural perspective based on a previous study (Nehls, 2013). Nehls (2014) also covers conversation vs debate, sustainability and uncertainty, creativity and Work Integrated learning (WIL) as a collective knowledge producing process between work life, academia and society based on a few examples from a Nordic context.

## 1.5 Project results, implications and further research

The purpose of this report is to give deeper insights in Nordic destination and regional development by empirical case studies. The MARIFUS project has resulted in that the studied maritime heritage

environments of the regions have been strengthened as engines of destination development. The long term objective to spread project experiences to a variety of stakeholders and actors within the destinations and regions was also fulfilled. Furthermore the three-year project offered great opportunities to cross-border learning and applied research in close co-operation (Work integrated learning) with project partners and students. The project also resulted in valuable mutual networks for future co-operation.

Issues related to destination development and co-operation for sustainable regional development at different spatial scales, ranging from the local to the global scale, are today of great interest not only among researchers but also among policy makers and planners. There are still many knowledge gaps to be filled not least on the empirical side and at the same time conditions change rapidly due to the on-going globalization, which implies that there is a permanent need for new up-to-date knowledge about these issues not at least within the Nordic perspective. This report would be of interest for students, researchers, and actors in the tourism industry and policy makers/planners.

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## 2. Destination Development with Focus on Strategic Use of Inland Water Areas as Experiencescapes

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### Abstract

*There is an increasing interest in exploration and (re)development of waterways sites with surrounding areas used for leisure, recreation and tourism. The aim of this study is to explore selected Nordic destinations with focus on the strategic use of inland water areas as 'experiencescapes' to promote destination development. Competition among destinations has escalated, hence also the need for well-coordinated tourism offerings. At many destinations a large number of various stakeholders from private, public and voluntary sectors interact. Earlier tourism studies show that coordination of networks is crucial since successful destinations are based on interrelated stakeholders that understand the concept of the destination and are committed to cooperate in offering a holistic experience to visitors. The data collection includes a combination of different methods: observations, interviews with destination stakeholders, and collection of documents related to the selected destinations and regions. Findings show a varied mix of elements and dimensions in the studied 'experiencescapes'. The variety in applied approaches for co-ordination of offerings, collaboration and management of destination stakeholders in inland water areas is discussed.*

**Keywords:** tourism, destination development, canals, rivers, lakes, stakeholders, experiencescape, storytelling

**Acknowledgements:** This study originates from the EU Interreg IVA project, MARIFUS, Maritime inlands – past, present and future strengths, initiated in April 2012. The author thanks Marifus partners and other respondents for sharing their knowledge and experiences.

### 2.1 Introduction

Water has had a great impact on human life since the beginning of time. In many cities and urban regions canals, rivers or lakes are closely interwoven with the origin history, becoming and prosperity of the place. Waterways further contribute to the unique environment of a city or region. Many destinations have realized the potential of water and promote intensively the development of waterfront events such as water-based and/or land-based activities for tourists as well as for local residents (Erfurt-Cooper, 2009).

Marine (ocean) and coastal tourism are among the fastest growing areas within the contemporary tourism industry (Hall, 2001). However, inland areas show an increasing interest in using inland water features such as canals, rivers, and lakes as vital key elements in destination development (Hall and Härkönen, 2006). There is a growing exploration and (re)development of waterways sites with surrounding areas used for leisure, recreation, sport and tourism (Erfurt-Cooper, 2009; Jennings, 2007). In contemporary society the interest in using waterways such as canals, rivers and lakes as tourism resources is increasing (Prideaux, Timothy and Cooper, 2009). Water and water front areas may offer a broad range of experiences varying from tranquil activities such as merely enjoying the view (Prideaux *et al.*, 2009; Urry and Larsen, 2011), walking along the waterfront, or taking a slow canal boat tour (Fallon, 2012) to intense sports activities in the water such as river rafting (Arnould and Price, 1993; Buckley, 2009) or jet skiing. Many canals have undergone a transformation from shipping waterways or transportation corridors with industrial milieus into tourism attractions and

cultural heritages. Canals may be tourist attractions in themselves as well as arenas for networks of stakeholders with mixed visions for preservation, sustainability, education and creation of experiences (Conzen and Wulfestieg, 2001; Donohoe, 2012, Tang and Jang, 2010, Vanhove, 2002). Waterways used as transport corridors may connect cities and regions. However, waterways or water areas may also act as divides based on geographical, political or cultural boundaries. Despite the increasing interest and the extensive use of water areas and water-based experiences in destination development there is limited and scattered tourism research on inland water areas such as canals, rivers and lakes (Hall and Härkönen, 2006; Prideaux *et al.*, 2009; Tang and Jang, 2010).

Tourism experiences are often created, staged (Pine and Gilmore, 1998), sculpted (Ooi, 2005) or shaped (Kastenholz, Carneiro and Marques, 2012) by a mix of destination stakeholders such as tourism mediators, local service providers and the local community (Kastenholz *et al.*, 2012). The network of destination stakeholders co-create the setting or the environment, physical or imagined, known as 'experiencescapes', i.e., 'spaces of pleasure, enjoyment and entertainment' (O'Dell, 2005, p. 16) in which the visitor or tourist consumes the tourist products while interacting with staff, as well as, with other tourists (Mossberg, 2007) and volunteers (Olsson, 2010, 2012). An experiencescape may thus consist of a space, i.e., the physical (Mossberg, 2007) or imaginary (Arnould, 2007; Gustafsson, 2002) surroundings, setting or environment, as well as social surroundings (Arnould and Price, 1993) such as service providers, staff, and other visitors or tourists.

Still there is a need for something that links the elements in an experiencescape together in order to create opportunities for a holistic tourism experience. Experiences with focus on stories and storytelling have gained increasing attention during the last decade (Mossberg, 2008; Olsson, Therkelsen and Mossberg, 2013). The storytelling approach shows a great potential for destination development since it frames experiences and may coordinate existing tourism stakeholders, hence also has capacity to involve new actors and activities not previously involved in tourism (Mossberg, 2008; Olsson, *et al.*, 2013). Furthermore stories communicate core values and destination image and, used as a strategic tool, the storytelling concept becomes a compass that directs destination development both internally and externally (Fog, Budtz, Munch and Blanchette, 2010). Carù and Cova (2007) also point out the story in summing up the production of experiences as the setting up of the scene of consumer experience to include: (i) a décor, design or staging, with special attention to multisensory stimulation; (ii) active participation by the consumer of the experience, and (iii) the narrative, story, and plots that are created (p. 8). Hird and Kvistgaard (2010) also suggest an analysis model for experiencescapes that includes the story by applying the following dimensions: the characteristics of the place, kinds of experiences (e.g. learning, entertainment), what senses are involved, what stories are told, what music can be heard, and what is the economic potential of the place.

The aim of this study is to explore selected Nordic destinations with focus on the strategic use of canals, rivers and inland water areas as experiencescapes to promote destination development. Hence, the research questions are: (1) How and by whom are inland water experiencescapes created? (2) In what ways is storytelling applied within the experiencescapes? (3) What are the challenges faced in destination collaboration in inland water areas?

## **2.2 Theoretical framework**

This study takes its point of departure in a marketing approach and the views that a tourism experience is a consumer experience (Buhalis, 2000; Mossberg, 2007; Ritchie and Hudson, 2009), that destinations are dependent on networks of stakeholders to be able to offer integrated and holistic tourism experiences to consumers (Buhalis, 2000) and furthermore that inland water areas such as canals, rivers and lakes are vital key elements in destination development (Hall and Härkönen, 2006). It is acknowledged that stakeholders can be 'any group or individual who can

affect or is affected by the achievement of the firm's objectives' (Freeman, 1984, p. 25). A broad view of destinations is applied throughout this chapter as 'the place where tourists intend to spend their time away from home' and this may refer to a geographical unit such as a city or town, a region, an island or a country visited by tourists (Cho, 2000, p. 144). Attention in this study is directed at the mix of multiple stakeholders creating experiencescapes in inland water area destinations for tourists as well as local residents. A combination of existing theories and research on destination development, experiences, water-based tourism experiences, storytelling, and stakeholder theory and is applied.

### **2.2.1 Water-based tourism experiences along canals, rivers and lakes**

Many places use their unique waterfront location for recreation, sports and tourism. Water-based tourism is in this study broadly defined as:

Any touristic activity undertaken in or in relation to water resources, such as lakes, dams, canals, creeks, streams, rivers, canals, waterways, marine coastal zones, seas, oceans, and ice-associated areas (Jennings, 2007, p. 10).

Water-based tourism includes several subfields, though focus of this study is delimited to inland water areas. Existing tourism research on canal tourism is scattered and limited (Tang and Jang, 2010). This also applies to river tourism (Prideaux *et al.*, 2009) and lake tourism (Hall and Härkönen, 2006).

There are many canal destinations around the world, e.g. Amsterdam (Kavaratzis and Ashworth, 2006), Chicago (Conzen and Wulfestieg, 2001), Bruges in Belgium (Vanhove, 2002), Rideau Canal World Heritage site in Canada (Donohoe, 2012), the New York Canal System (Tang and Jang, 2010) and the Caledonian Canal in Scotland. As described by Fallon (2012) 'Canals comprise a man-made cut into the earth and alongside these there are buildings constructed originally to support freight transport and water supply' (p. 143). However, many canals have undergone a transformation from industrial areas into tourist destinations and cultural heritage (Conzen and Wulfestieg, 2001; Donohoe, 2012; Tang and Jang, 2010; Vanhove, 2002). Conzen and Wulfestieg (2001) report on the development of the Illinois and Michigan Canal into a National Heritage Corridor and the 'hunger among many living in the suburban tracts for a taste of history, for places with historical landscape to explore for its time depth and its hint of difference' (p. 116). As described by Fallon (2012) there are interesting links between slow tourism and canal tourism since 'these historical linear park areas are serving as leisure space for boating and walking where it is possible to slow down and escape from the everyday' (p. 143).

According to Conzen and Wulfestieg (2001) the success of a canal transformation is based on a network of people with both commercial and political influence that mediates different interests and defends the best interests for the canal. Sulcus and Clifton (2012) point out the community power and values needed to succeed in revitalizing canals as tourist attractions. Tang and Jang (2010) who studied the New York Canal System and its evolution from transportation to tourism as a canal system life cycle emphasize five factors for successful canal destinations: 'recognition as a tourism resource, community support, citizen involvement, governmental leadership and control of vested interests' (p. 438). Furthermore Tang and Jang (2010) suggest that commercial and cargo vessels and recreational crafts are to co-exist in the canal system as the commercial vessels 'are interesting for tourists to watch and serve as a reminder of the canal's historic role and commercial traditions' (p. 454). Donohoe (2012) describes the development of the Rideau Canal as a World Heritage site based on a management approach emphasizing the integration of protection, education and memorable experiences and views the canal corridor as a 'tapestry of experiences' (p. 129) – revealing its unique history and culture. In the past multiple stakeholders 'focused on marketing their product rather than working with partners to market the Canal corridor, This resulted in a competitive disadvantage,

conflicts between markets and users, and potential to erode the natural and cultural environments and visitor experiences' (p. 129).

Many major cities are built by rivers, hence there is often an interesting urban-river interface for visitors as well as local residents (Prideaux *et al.*, 2009), e.g. the Seine River in Paris, and the Danube in Budapest. Many European rivers have developed or transformed in recent decades in order to be more accessible for leisure and recreation experiences. Experiences offered are often staged as networks of landscape and commercial offerings including a mix of e.g. walking trails, playgrounds, paths, restaurants and accommodations (Erfurt-Cooper, 2009). Regarding future sustainable tourism development of rivers Prideaux and Cooper (2009) emphasize the importance of 'using rivers rather than abusing rivers' (p. ix).

There are a many inland water areas which are lake-based destinations around the world, e.g. Savonlinna in Finland, the Lake District in England, and the Great Lakes of North America. However, despite the fact that lakes often are used as vital key elements in the tourism promotion of a destination and the interest in lake-related tourism is increasing, there is still limited lake tourism research (Hall and Härkönen, 2006). Regarding the complexity in the definition of lake tourism, Hall and Härkönen (2006) furthermore suggest that lake tourism should be perceived and understood from its specific environmental features in the same way as e.g. alpine or forest tourism. The following broad definition as a system that may include multiple stakeholders supporting the lake as an attraction is proposed:

Lake tourism is tourism that occurs not only on the lake itself, but also in the surrounding area. Lacustrine tourism systems therefore include the lake, the foreshore and those amenities, facilities and infrastructure in the surrounding region that support the role of the lake as a tourist attraction (Hall and Härkönen, 2006, p. 4).

However as pointed out by Currie *et al.*, (2008) alike other nature-based tourism water areas or water ways often cover large distances and barriers or borders between different stakeholders are often crossed. Destination management hence needs to 'determine among competing voices, a structure that will allow them to recognize stakeholder status and prioritise stakeholder's claims' (p. 51).

### **2.2.2 The complexity of tourism experiences**

In the development and growth of the cross-disciplinary field of experience economy studies several dimensions and definitions of experiences are discussed by scholars representing various disciplines such as economics, business and management, psychology, sociology and anthropology (Boswijk, Thijssen and Peelen, 2007; Pine and Gilmore, 1998; Sundbo and Darmer, 2008; Sundbo and Sørensen, 2013).

In this study an experience is viewed as something extraordinary and memorable, hence in the context of the experience economy broadly defined as 'the mental impact felt and remembered by an individual caused by the personal perception of external stimuli' (Sundbo and Sørensen, 2013, p. 4). Contemporary consumers want to feel something rather than merely buy something. Consumers often seek experience immersion into thematic settings (Carù and Cova, 2007). Experiences in general are complex as they are emotional, social and intellectual (Kastenholz *et al.*, 2012) and furthermore 'highly personal, subjectively perceived, intangible, ever fleeting and continuously on-going' (O'Dell, 2005, p.15). Experiences include dimensions of consumer participation (active or passive), and dimensions of involvement (immersion or absorption). The individual levels of these dimensions will affect the way one lives and remembers the experience (Pine and Gilmore, 1998, 1999). Another experience dimension discussed is the environment, scene or setting of experiences as levels of realism or fantasy e.g. from naturalistic, realistic settings to artificial, fantastic environments (Arnould, 2007). Experiences are offered in a specific time and place (O'Dell, 2005),

however ‘depending on people’s various backgrounds, they may pay attention to different things even if they are at the same place at the same time’ (Ooi, 2005, p. 56). The complex characteristics of tourism experiences can accordingly be summed up as: experiences evoke from the individual’s social or cultural background; experiences are multi-faceted and arise from different stimuli for different individuals; experiences are existential and the individual’s moods and personal feelings affect the experience (Ooi, 2005, p. 51).

### **2.2.3 Tourism experiences and storytelling**

Meaningful experiences may involve all one’s senses, include a heightened concentration and focus, one’s sense of time is altered, one is touched emotionally, the process is unique for the person and has intrinsic value, and one has contact with the environment by doing things and undergoing things (Boswijk, *et al.*, 2007, p. 27). During experiences such as a city festival the theme or story may come alive as embodiment of physical impressions of music, smells, tastes, crowds of visitors, street life, and visual sights as co-creation of experiences in a what Gustafsson (2002) calls an ‘enchanted zone’ (p. 131, 267). Chronis (2005) also points out this as co-creation in a ‘storyscape’ i.e., ‘commercial environments where narratives are negotiated, shaped, and transformed through the interaction of producers and consumers’ (Chronis, 2005, p. 389). Stories told in a storyscape may provide visitors ‘with a mechanism for escape, becoming immersed in plots, characters, descriptions and accounts contained therein’ (McCabe and Foster, 2006, p.194). The setting or environment, e.g. the remains of a castle, a battle field, a harbour, a factory, sets the frame when creating the fictive room and this room is then only limited by imagination. Furthermore, the storytellers’ use of properties and costumes may enhance the performance of the story in a trustworthy way. Songs, music, light and sound effects are also of importance creating atmosphere and tension (Eide, 2011). Stories speak to human needs that make life meaningful, involve us emotionally, stimulate imagination and beliefs, communicate knowledge, entertain and give attention, and build community (Mossberg and Johansen, 2006, p. 21).

Story-based marketing concepts are often built around places, authentic or fictive characters or local events. Storytelling is used as a means of competitive destination marketing since it identifies and emphasizes culturally embedded and unique stories of places that are difficult to replicate by others (Mossberg, 2008; Olsson *et al.*, 2013). Strategic use of destination-based storytelling may also enhance the destination management as co-operation among destination stakeholders, since a story or theme can frame and coordinate the holistic tourism offering (Mattsson and Praesto, 2005). The storytelling approach additionally shows a great potential for involving new actors and activities previously not involved in tourism (Mossberg, 2008), since a story concept includes the core experience as well as peripheral experiences and services (Sundbo and Hagedorn-Rasmussen, 2008). Blichfeldt and Halkier (2013) furthermore point out the importance to focus on stories and events that appeal to visitors and local residents in developing destinations. The EU project Future Coasts (2011) reports on the strategic importance of credible themes and collaboration for sustainable destination development:

A key part of the development of tourism today is about building up credible themes which are largely based on locations’ unique conditions and history. Experts such as historians, archaeologists, ethno-geographers, building conservators, ethnologists, zoologists, and botanists can beneficially be used to highlight a location’s qualities and, in doing so, provide more leisure dimensions. Not only sights, but also accommodation, food, and shopping have a lot to gain from upgraded thematic thinking (p.5).

In this study, storytelling is viewed as a strategic experiential approach for destination marketing and management, since storytelling may act as a holistic destination framework for offerings and act as an internal and external strategic compass directing collaboration and development. In earlier studies of Nordic storytelling a three-phase process model was developed to identify and analyse stakeholders and their strategic and operational processes (Olsson *et al.*, 2013; Mossberg *et al.*, 2010) inspired by

policy and destination branding studies (Hogwood and Gunn, 1986; Therkelsen, Halkier, and Jensen, 2010). The process includes phases of agenda setting, design and implementation and may be used for identifying and analysing destination-based cooperation on storytelling efforts. The level of stakeholder involvement and influence on the process may vary and the same or different stakeholders may be involved in several phases. The agenda-setting phase often include public stakeholders as well as private ones such as attractions, accommodations and restaurants. In this initial phase strategic decisions such as selection of overall theme, identification of stakeholders, target groups and financing are set. The second phase is focused on the central development of the story line, designing the storyscapes, and packaging the activities, e.g. combining storytelling activities with a meal and accommodations. Producing a marketing plan just as planning for the internal communication among stakeholders are also central activities of the design phase. Operational processes in the third phase include the actual storytelling activities performed by storytellers, hence also other location and service providers (e.g. museums or farms where the story is located as well as hotels, cafés and shops) that contribute to the overall storyscape. The process includes a time perspective, in that the agenda setting, design and implementation of the storytelling concept applied the first year ideally should feed into similar phases in following years. In that way stakeholders may learn from experiences, good and bad, through a process of evaluation which is an integral part of this process for destination-based storytelling efforts.

#### **2.2.4 Collaboration on the creation of experiencescapes**

As mentioned, while it is not possible to give individuals experiences but it is possible to create the environment in which consumers can have experiences (Mossberg, 2003, 2007). Experiences may be created, sculpted or staged as 'landscapes that are strategically planned, laid out and designed' (Ritchie and Hudson, 2009, p. 116) yet tourists have very individual experiences of the same offering (Ooi, 2005; Ritchie and Hudson, 2009).

Hird and Kvistgaard (2010) define experiencescape as a crossfield between market, cultural heritage and experiences, and furthermore also point out the open, uncontrolled and uncontrollable aspects of experiencescapes in e.g. villages, historical sites or nature areas. This is especially relevant to water-based experiences. The social surroundings within the experiencescape such as other tourists (cf. Mossberg, 2003) are also uncontrollable. Urry and Larsen (2011) extend the relationships to include not only the space and people, but also machines and especially buildings are pointed out due to the importance of finding a place pleasant and interesting to gaze upon for both tourists and local residents (p. 119).

Furthermore to add to the complexity, individuals consume the destination as a comprehensive experience ignoring the fact that offerings often consist of many different products and services across organizational, regional and municipal borders. Destinations can therefore be described as 'amalgams of tourism products, offering an integrated experience to consumers' (Buhalis, 2000, p. 97). It is therefore of importance to achieve a collaborative environment to inspire all stakeholders to contribute to the creation of destination experience (Marzano, Laws and Scott, 2009). Many destinations and events are dependent on the interaction of a large number of various stakeholders from private, public and voluntary sectors (Garrod, *et. al.*, 2012; Getz, *et al.*, 2007). Recent studies of experiences at museums and science centres argue that there has been a transformation in that these stakeholders now widened their services offering into visitor participation to enhance 'sensory, emotional, cognitive, behavioural and relational values' of the experience (Hjalager and Wahlberg, 2014, p. 53). Hjalager and Wahlberg (2014) also point the value of innovative outreach approach and slightly new role of museums as vital resources in regional development.

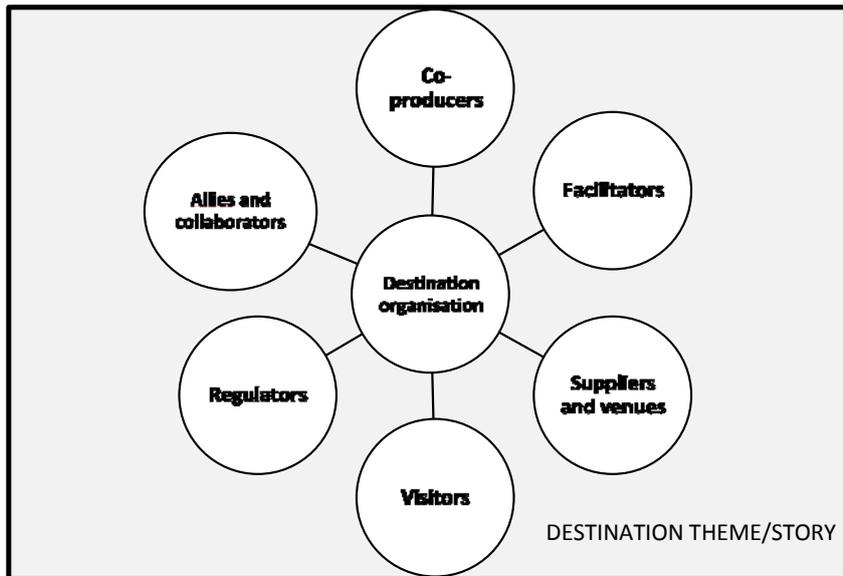
Marketing and managing destinations is thus challenging due to a mix of destination stakeholders, complex relationships and often divergent individual objectives and visions (Buhalis, 2000; Wang and

Krakover, 2008). However, as argued by Currie, Seaton and Wesley (2008), ‘strategic planning in the tourism industry is crucial in so far as it integrates multiple stakeholders, and remains adaptable to changing environmental, social and economic conditions’ (p. 43). Studies show that local competitors coordinated in networks can boost destination attractiveness. However ‘balancing acts’ are required to avoid conflicts in order to achieve network synergy especially regarding the collective and the individual, co-operation, competition and co-opetition (Bengtsson and Kock, 2000; von Friedrichs Grängsjö, 2003; von Friedrichs Grängsjö and Gummesson, 2006).

Competition among all kinds of destinations has escalated (Hankinson, 2004; Morgan, Pritchard and Piggott, 2003), hence also the need for well-coordinated tourism offerings. Calls have been made for innovative offerings that contribute to overall destination development (Morgan, et al., 2003). Accordingly there is increasing interest in tourism research on relationships and interactions between an organization and its contributing stakeholders (Bornhorst, Ritchie and Sheehan, 2010; Garrod, Fyall, Leask and Reid, 2012; Getz, Andersson and Larson, 2006; Morgan *et al.*, 2003). d’Angella and Go (2009) suggest that the battlefield of tourism is changed and contemporary tourism firms are actors in a destination network, competing with other destination networks. However, due to the complex destination networks tourism offerings within the same destination or even the same attraction may not only compete with each other, but also “send out contradicting or confliction messages’ (Ooi, 2005, p. 58). A destination management is needed to ‘orchestrate’ decisions, design and organization of an effective network. Participation in destination networks and the ‘art of collaboration’ furthermore needs a design or a model ‘that clearly expresses boundaries within which stakeholders are permitted to act, (e.g. ‘the game rules’)’ (d’Angella and Go, 2009, p. 430). Earlier tourism studies show that coordination of networks is crucial since successful destinations are based on interrelated stakeholders that understand the concept of the destination and are committed to cooperate in offering a holistic experience to visitors (Bornhorst, *et al.*, 2010; Morgan, Elbe and Curiel, 2009; Swarbrooke, 2001). Collaboration based on compromise, although difficult, is the way to long-term destination success according to Buhalis (2000). Healy (1996) also argues that networks need collaborative and inclusionary consensus-building practises in order to create shared social capital (trust, communication, incentives or willingness to exchange information and ideas), intellectual capital and political capital.

A holistic destination brand, theme, concept or story can be used to strategically frame the competing mix of tourism products and services within a destination to avoid conflicting messages and confusion (Mossberg, 2007; Ooi, 2005). The network around a story concept can accordingly be viewed as ‘a negotiation field where different actors and stakeholders contribute to the story produced and marketed. Who is involved in the negotiations is of pivotal importance for the inwards and outwards profiling of a place’ (Eskilsson and Högdahl, 2009, p. 68).

Thus it is important to identify stakeholders and ongoing relationships at destinations. Getz *et al.*, (2006) apply as illustrated in figure 1 the following major categories of stakeholder roles in studies of events, and especially festivals: event organisation, co-producers, facilitators, suppliers and venues, allies and collaborators, regulators and audience. The event organization, here the *destination organisation* co-ordinates, plans and implements the event consisting of internal stakeholders as owners or investors, directors, employees, volunteers, members and advisors. *Co-producers* as independent organisations and individuals participate voluntarily for their own reasons and take on roles other than sponsor, supplier, or venue e.g. restaurant tents, municipalities that provide streets and parks, or firms and organisations taking part in markets. Local trade and industry are often participate by co-producing the total event offering. The use of a common profile or logotype as co-branding enhances the co-production. *Facilitators* as non-participating resource providers make the event possible, as e.g. state, *Suppliers and venues* represent the costs of the event and include e.g. performers (paid musicians and actors) and the arenas for the events.



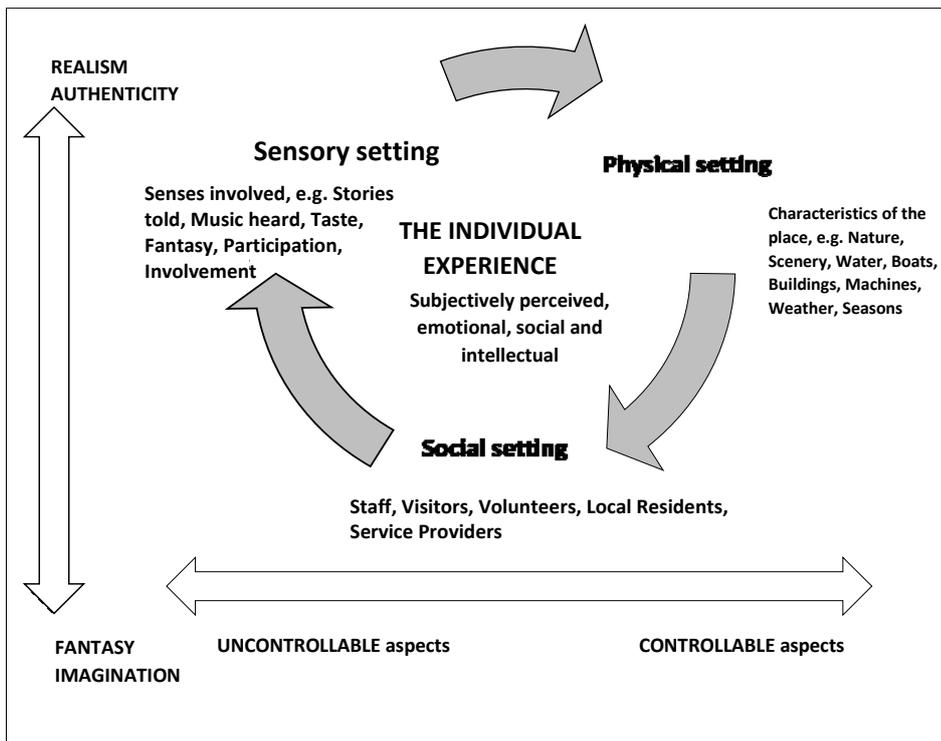
**Figure 1. Major destination stakeholder roles.**

Adapted from Getz, Andersson and Larson, 2006, p. 109

The roles of *allies and collaborators* refer to inter-event collaboration and sharing of experiences. *Regulators* refer to the need for approval and cooperation required such as local authorities, police, fire brigade concerning the number of visitors and their safety. The *audience* is often the major stakeholder of the event since financing often is dependent on the number of visitors. It is difficult to map all actors and there are often ‘free-riders’ as firms that do not cooperate with the network still benefit (Getz, *et al.*, 2006).

Destination stakeholders can thus be viewed as actors within an integrated system. Hall and Härkönen (2006) emphasize the complex structures of water areas and the importance of promoting an integrated system approach to management to cover a variety of issues and actors regarding e.g. sustainability, environmental concerns such as freshwater supplies, transportation, preservation, as well as accessibility, rights of use and tourism. Responsible planning and management of water areas is of importance to find ‘the right balance between economic growth and the protection of recreation and scenic values’ (Erfurt-Cooper, 2009, p. 113). Furthermore as pointed out by Chang (1996) there is in general a sensitive balance between the interests, needs and desires of the local population and those of visitors. There is a major challenge in destination stakeholder collaboration with mixed visions and objectives trying to find the right balance between, planning and management on the one hand and development and preservation on the other. Blichfeldt, Hird and Kvistgaard (2014) strongly argue that as places and destinations are ‘socially constructed and shaped by stakeholders, then knowledge on tourism actors’ social constructions, (inter)actions and decisions (as well as non-decisions) is needed’ (p. 82). Furthermore Blichfeldt *et al.*, (2014) propose that the dimension of power and especially the power of destination managers is vital to understand as it affects the relations and cooperation among destination stakeholders. Power may be viewed as a characteristic of relations rather than of individuals. Mitchell, Agle and Wood (1997) point out the dynamic nature of stakeholders as they may change over time due to political, social or economic reasons that will affect their power, legitimacy and urgency (claims that call for instant attention).

Figure 2 illustrates a summary of aspects and dimensions of experiencescapes in tourism settings based on the theoretical framework of this chapter. This model is used in analyses of the experiencescapes of the studied inland water destinations.



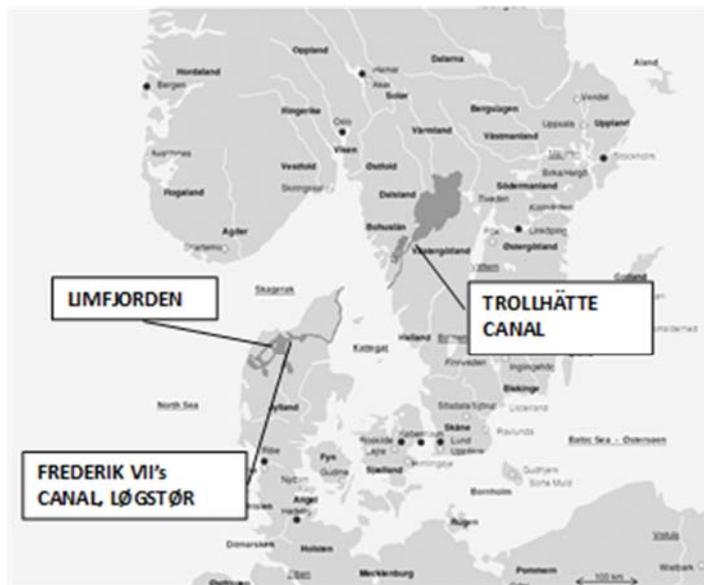
**Figure 2. Dimensions of experiencescapes in tourism settings.**

(Inspired by Arnould, 2007; Arnould and Price, 1993; Carú and Cova 2007; Fog *et al.*, 2010; Gustafsson, 2002; Hird and Kvistgaard, 2010; Kastenholtz *et al.*, 2012; Mossberg, 2007; O'Dell, 2005; Olsson *et al.*, 2013; Pine and Gilmore, 1998, 1999; Ritchie and Hudson, 2009; Urry and Larsen, 2011)

### 2.3 Methodology

A case study approach has been chosen for this empirical study. An explorative analysis is made of the creation of experiencescapes at three destinations. These different Nordic destinations were selected due to their participation in a common maritime destinations development project. An explorative case study approach was applied giving opportunities for in-depth studies of contemporary phenomena in real-life contexts (Yin, 2009) and the use of combinations of qualitative methods (Veal, 2011). Rich sets of data, collected during 2012-2014 as interviews with stakeholders, presentations by project partners, industry documents, marketing material and media coverage, observations of stakeholder meetings, several study visits and participant observations at the selected destinations, and participant observations of activities which also included informal conversations with guides, visitors, and volunteers, make cross-case analysis possible.

All three destinations are found in regions that struggle with unemployment and depopulation, hence aiming at enhancing the local tourism industry and destination development by strategic use of maritime culture. Another common aspect among the destinations is an expressed wish to preserve authenticity and avoid Disneyfication of their maritime cultural heritage. Furthermore all three destinations are located in inland areas next to competing popular coastal (sea) tourist regions.



**Figure 3 Three Nordic Destinations**

As illustrated in Figure 3 the three selected inland water areas are quite different. The first destination, Trollhätte Canal, is an 82 km long canal connecting two Swedish cities and is furthermore an important part of the waterway linking the Lake Vänern and the Kattegat as well as the link to the waterway the Göta Canal water way and the Baltic Sea. The second destination is the Limfjorden a large Danish 180 km-long strait inland water area (sea water) with 44 harbours. Limfjorden covers an area of 1700 km<sup>2</sup> touching nine municipalities and two regions, hence also linking the North Sea to the Kattegat. The third destination, Frederik VII's Canal in Løgstør in Denmark, is a small 4 km-long canal in a harbour of a rural fishing town in the Limfjorden in the North Jutland region.

A non-probability sample of respondents was constructed by referral or snowball sampling starting with project partners to establish contacts with other respondents relevant to the study (Bryman and Bell, 2007). The project partners include destination stakeholders in their roles as representatives for museums and attractions, municipalities, tourism agencies, and coordinators of destination networks in Sweden and Denmark. By referral sampling additional stakeholders were identified at the selected destinations including storytellers, guides, culture pedagogue, more museums, canal boat shippers, tourist agency managers and staff. In total 15 respondents were interviewed during 2012-2014. Individual semi-structured interviews were conducted on the basis of interview guides covering issues such as the history and development of the destination, the respondent's roles in planning and implementation of experiences and the experiences of destination collaboration. The sequence of questions varied from interview to interview and additional issues were picked up during the interviews (Bryman and Bell, 2007). The interviews were partly conducted at visits and observations at the destinations, at project meetings and partly by telephone. Many of the interviews were followed up by additional telephone interviews, e-mails or meetings.

Participant observations of events, activities and stakeholder meetings were conducted to deepen the understanding of the studied destinations. Notes and photos were used to record observations. The interviews were mostly based on notes as several of them were conducted outdoors. The flows or streams of analysis were interwoven throughout the study as a continuous process (Miles and Huberman, 1994). In addition to the field research, secondary data has been gathered through desk research to gain further background information about the selected destinations and their networks of stakeholders: marketing material, films, websites and internal documents and guidelines were studied.

## 2.4 Findings

The three selected destinations are found in regions with high unemployment, depopulation and competition from popular coastal tourism areas. All three destinations aim to further develop their destination by strategic use of maritime culture and inland waters. The findings give a brief description of the selected destinations based on the research questions of this chapter: How and by whom are inland water experiencescapes created? In what ways is storytelling applied within the experiencescapes? What are the challenges faced in destination collaboration in inland water areas?

### 2.4.1 Trollhätte Canal – one canal, two cities

The Swedish destination, Trollhätte Canal, is an 82-km-long waterway with six locks and a total drop of 44 meters. The canal opened in 1800 and 10 km of it is manmade while the rest is the natural waterway of the Göta Älv River. Three generations of locks run parallel with one another, offering visitors an opportunity to experience lock design over two centuries. The canal is an important waterway as an average of ten ships pass through the locks daily throughout the year (transporting 3.5 million tons of goods), and during the summer months, over 4000 pleasure boats (Swedish Maritime Administration, 2014). This water area is not merely a waterway since the waterfalls have been used for hydroelectric power since 1905 (Vattenfall, 2014).

The canal connects two cities, Vänersborg and Trollhättan, sharing a long history of geographic proximity and competition. Trollhättan has around 56,000 inhabitants and is traditionally known as an industrial city by the waterfalls of the Göta Älv River (Larsson, 2011). However new concepts and industries are added to the city identity such as film production and the ‘Trollywood’ identity as well as stronger focus on culture and music. Vänersborg with 37,000 inhabitants is a residential city, traditionally associated with regional governance as well as culture and music, situated at the southern tip of Lake Vänern. New concepts of importance in the municipal identity is sports and events. The cooperation in tourism development between the two cities is formalized since the forming of a jointly owned tourism company in 2007, partly owned by the municipalities and partly owned by more than 220 local firms and organisations. The communicated motto is ‘two cities - one destination’. Strategic focus is on developing three unique parts of which the waterfalls, canal and lock system form one (Visit Trollhättan Vänersborg, 2014). The city of Trollhättan has a formal tourism strategy for 2012-2017 stating that the area with the waterfalls and lock system is prioritized in future destination development. The aim is that the area will be one of the main attractions in Sweden and a world-class living industrial heritage. The old industrial milieus are slowly transformed into new creative arenas and meeting locations for all kinds of innovative and creative organisations and firms. The city is in a transformation process that includes both the industrial era and the digital media society. The tourism strategy also stresses the importance of collaboration in order to communicate a trustworthy image and city brand (Trollhättans Stad, 2014). The city of Vänersborg on the other hand strongly emphasizes its location on Lake Vänern and has a vision that focuses on the importance of increasing the attractiveness of the municipality regarding trade and industry, regional and public management, education, culture and tourism. There are wishes to transform city areas and old industrial land to open or increase access to the waterfront and add ‘life’ in the area by building new housing and residential areas, thus enhancing the quality of life for local residents. The importance of urban planning linked to development of tourism strategy is expressed in order to make ‘the municipal departments to keep pace’. There is as yet no specific strategy for tourism but one is planned to be launched in 2015 partly inspired by “Water strategy Amsterdam a spatial-economic perspective on the use of surface water”. The planned strategy is discussed with several groups of the municipality to increase participation and community building (Vänersborg, 2014).

A mix of mainly land-based experiences are offered along the canal arranged predominantly by or via the tourism company and the municipalities, hence also by canal boats, hotels, sports organisations, museums and science centre. There are several events and experiences associated with water or placed next to the waterfront such as city festivals, music events, sports arrangements, guided city walks, guided tours in the lock system and the hydropower plant, and canal boat trips for tourists and local residents. A unique experience offered during the summer season is the daily magnificent opening of the waterfalls and around 50,000 visitors experience this annually and around also 11,000 visit the hydro power stations of which parts are cultural protected buildings and machinery (Trollhättan, 2014; Vattenfall 2014). Furthermore the nature is of importance and the shores of the southern tip of Lake Vänern, the canal area and the Älvrummet nature reserve offer popular, tranquil park areas with many paths that are used by local residents and visitors for walking and running.

Besides the municipalities and the tourism company there are several powerful destinations stakeholders, i.e., the hydropower company Vattenfall, the Swedish Maritime Administration and the science centre Innovatum that form a core of stakeholders that meet regularly. Some of them are not really involved in tourism since their main focus is on power or shipping. The main issues discussed are not merely experience design but accessibility, infrastructure and safety. One respondent mentions the issue of ownership of the area as an obstacle for development of experiences:

We always play on the away field, i.e., we work with processes and planning yet we do not own the canal area.

There is however a shared understanding among the core stakeholders to avoid Disneyfication and to preserve the industrial heritage. A need for a stronger destination identity is mentioned among stakeholders:

We need to focus our tourism offerings in the canal area and be better in communicating this to tourists and local residents.

In this experiencescape there is a strong focus on industrial heritage and the importance of spreading knowledge of the lock systems, hydropower plants and surrounding industrial milieus. Storytelling is applied, mainly limited to traditionally guided tours and school programs although occasional dramatized events with actors and costumes occur (Olsson, 2013). Approximately 16 city walks were offered in 2013 and 300 visitors joined these walks (Visit Trollhättan-Vänern, 2014). Authentic events and people are used in telling the story of this destination. Music is an important component in several events. Light effects, art and dance are also used during city festivals and events to accentuate important buildings and places in and next to the canal and lock system. There are other stories told in the area, e.g. the fictional stories of people living at the falls (Johansson, 2011; 2012), as well as local digital stories such as the Living History offering ten stories with QR codes in the canal area (Innovatum Science Centre, 2014). The Shadows of History a virtual historical platform with geopositioned movies, audio guides, augmented reality, archive images, and QR codes aiming to offer Swedish history in an artistic, fun and interesting way, for all age groups as well as tourists (Shadows of History, 2014). Recently an app was launched to find film locations and see film clips at the actual location in the area as well as to get information about Trollywood. There are plans to further develop stakeholder cooperation on storytelling by developing and sharing story concepts. Many respondents stress the unused potential and mention that people ask for 'more life' in the area, preferably as events that include music and theatre, exhibitions and shows as well as more cafés or restaurants. Several respondents mention an amateur theatre group that over 15 years ago had several very well-received theatre shows that included a canal boat trip and food featuring the story of the area, important historical events and persons. The school of arts and the science centre co-produce experiential designed school programs guided by pedagogues to increase the understanding and knowledge of the city and people, the canal and other local cultural heritage among local children and hence build community and identity (Innovatum Science Centre, 2014).

Education is important – we have to educate those who live here as well as those who are visitors!

These school programs could easily be transformed to commercial tourism programs that include experiences with co-creation activities for families.

*We have* everything – still a little cooperation, financing and packaging is needed to make sure that visitors get food, accommodation, something a little extra that gilds the experience to ensure that one has experienced something special and memorable!

Other smaller private stakeholders express an interest in cooperation but emphasize the importance of personal benefits for his/her firm in cooperation:

More cooperation? Yes, but what's in it for me?

Another respondent wished for more detailed/close cooperation all year round, not only sporadically during summer season. This respondent also points out the vital importance of inclusion in the destination network and mentions that it is all about individual contacts and relations with the right person:

Stakeholder cooperation such as shared activities and events in the canal area are very positive as it made it possible for us to meet new kinds of visitors, mainly locals that we do not usually meet.

Cooperation with volunteers and nonprofit organisations is limited.

#### **2.4.2 The Limfjord – a fjord of experiences**

The Danish destination Limfjorden is branded as a fjord of experiences (Hansen, 2012; Visit Limfjorden, 2014). Approximately 385,000 people live around this inland water that touches nine municipalities (Lemvig, Struer, Holstebro, Skive, Viborg, Thisted, Morsø, Jammerbugt and Vesthimmerland) and two regions (North Jutland and Central Jutland). Several of these municipalities have coasts along the Limfjord as well as along the North Sea, meaning that the interest in the inland water may be slightly reduced in some municipalities, whereas others only have inland water coastline. Only a few of the municipalities have a specific tourism strategy although tourism is widely recognized as an industry of great importance. Network Limfjorden was founded in 1995 and aims to strategically develop the Limfjord and its surroundings as an attractive tourism destination by gathering all tourism actors in cooperation on branding, marketing and packaging of experiences. The network has had members from municipalities, regions, tourism organisations and local firms. The network is organized as an association and managed by a committee (Kierkegaard Larsen and Therkelsen, 2009).

Several respondents express the need for cooperation:

We do need to cooperate in order to trim our sales organization. *We have* all the opportunities to pick the low-hanging fruit, still we are not good enough in selling it.

We do not have any super attractions – but we do have a lot of small pearls on a thread.

The network cooperate to offer experiences and online booking of a great variety of packages. Experiences and storytelling in particular, the Tales from Limfjorden, are categorized into four themes: Green Limfjord (landscape, nature, e.g. walking and cycling routes, nature reserve and sanctuary); Golden Limfjord (the people of the fjord, culture, traditions, art, poets and writers, museums, local food such as schnapps, wine, beer and dairy products); Blue Limfjord (experiences on and in the water, e.g. boat trips, Limfjord traditional boats, fishing, windsurfing, Limfjord safaris, seafood); and Limfjord for children with participatory activities for families. Many experiences are planned as tours or routes to extend the tourists' stay, e.g. the Schnapps Route covering several local producers, bicycle routes as well as storytelling route. Respondents also stress the good life at Limfjorden and the importance that all members of the network act as hosts of Limfjorden:

The marketing of this area must be authentic, close to people and nature and linked to the good quality of life.

We need to put good hosting in focus – and learn how to tie all the small actors together in cooperation and this includes activities to improve communication, education and unifying.

The Tales from Limfjorden covering the whole area offering a variety of stories every week all summer season. There are around 30 different stories and the storytellers are representatives from local art and historical museums, manor houses and convents/monasteries; private food manufacturers such as farms, local breweries, dairies; and nature pedagogues from museums, reserves and sanctuaries (cf. Kierkegaard Larsen and Therkelsen, 2009; Mossberg et al., 2010). All storytellers are encouraged to refer to other storytellers within the network. The annual evaluation of 2013 performed by the network showed that around 6,700 visitors experienced a storytelling event in 2013. The most popular stories often include a tasting of food or drink and a memorable meeting as illustrated by the following quotes from an evaluation in 2013: ‘We met an enthusiast and now we have a taste for “more Limfjord”’, ‘Very good, and we buy X’s products since we came to the tale at the dairy. It is also good because it was the dairy boss himself, he was very good at storytelling’ (Network Limfjorden, 2014).

We [the network] choose what stories should be included in the program and one important qualification is that you have to be a good storyteller as this is live. Visitors must feel that they meet a real and trustworthy person. We have close contact with all of the 30 storytellers so that they feel that they are central for the success of the Tales from Limfjorden.

One respondent points out the multi-sensory aspects of storytelling:

The stories that are most popular are those where visitors may taste food or drinks... this makes the story more real since they get a sensory relation to what is told.

There are several famous Limfjord writers, poets and artists (cf. Hansen, 2012) who also tell the stories of this area and the network offer a special Authors’ Route. The network has also developed digital and dramatized MP3 version of Tales from Limfjorden. There are many other examples of digital storytelling outside the network telling stories about the Limfjord, e.g. the interactive website 1001 Stories of Denmark on Danish cultural heritage sites (1001 Stories of Denmark, 2014).

The challenges of networking in a geographic area as large as the Limfjord are significant. According to respondents there has been a struggle to handle internal competition and self-interest trying to promote cooperation and co-opetition during the 20 years the network existed. All members agree on the need to cooperate and share the view of tourism as an industry to develop. Still, members of the network argue that local politicians care about their own municipalities. The municipal reform in 2007 complicated cooperation even further as small municipalities were merged into larger ones. In April 2014 it was decided that the network should be dissolved during 2015.

The major reasons for dissolving the network were expressed as:

Due to the municipal reform public funding does not promote tourism cooperation as funding is closely tied to administrative borders (municipalities and regions) ... it is very difficult to move money across administrative borders to improve larger destination cooperation.

The ‘new’ municipalities act independently when it comes to tourism issues. They completely ignore the fact that tourists do not know and do not care about municipal borders.

There may be future cooperation among the southern municipalities and there are plans to keep the storytelling concept.

### 2.4.3 Løgstør and the Frederik VII Canal – The town of mussels

Løgstør is a small market town with 4,300 inhabitants situated on the coast of the Limfjord in the rural part of the North Jutland region in Denmark. Throughout history the sand banks outside Løgstør have been a problem for passing ships. The 4.4-km-long canal was completed in 1861 and was in use until 1901. The canal is now a heritage site and an important tourist attraction, run by the Limfjord Museum which is now housed in the old canal buildings. There are around 45,000 visitors a year at the museum.

This destination is part of Network Limfjorden, hence the description above is to a large extent applicable to Løgstør although this town has chosen a slightly different strategy. The town markets itself as ‘The Town of Mussels’ due to the old fishing traditions as well as the location of a large mussel factory. Mussels are heavily emphasized in the branding of the town, as well as by a variety of local stakeholders such as restaurants, artists and organisers of events. The identity of mussels is the core identity accepted and used by many stakeholders (cf. Blichfeldt and Halkier, 2013).

The museum is an important local stakeholder and an active member of Network Limfjorden, and states:

We are not a museum only for the city of Løgstør but for the whole of the Limfjord.

The museum, besides traditional tasks such as education, research, collection, preservation and registration, also acts as the major driver for collaboration and destination development in the Limfjord area as well as in Løgstør. A culture organisation is working as a project organisation and acts as a driving actor for destination development. A new strategy was launched in 2005 under the motto ‘Full speed ahead’ based on local cooperation in order to make the museum survive as well as keeping the harbour alive and the town attractive to live in and to visit. The aim of the museum is to find new innovative uses of additives to the museum space – to use the museum as an anchor point in collaboration development. An intensive phase of close and inclusive cooperation among local stakeholders not only limited to tourist or service providers but e.g. local bakeries, banks, representatives for local trade, restaurants, organisations, volunteers and local community followed to reach synergy effects in marketing and branding. The aim was to find win-win relations in a collaborative destination development for all stakeholders involved. The museum is also supported by a base of around 50 loyal and committed volunteers ‘real enthusiasts’ and at larger events the support from the local community is strong (Limfjordsmuseets Beretning, 2010; 2011; 2012; Olsson 2014).

The offered experiences are a mix of exhibitions, experience centre with aquariums, historic boat builders’ yard, activities for children and families, boat tours and maritime events such as the very popular Mussel Harvest Festival and the unique Wooden Ship Regatta with around 60 ships taking part of the Limfjorden race. This event offers lots of land and water-based experiences in Løgstør and the other harbours of the fjord. The physical setting of the old harbour and canal is of importance, especially the old buildings and the old ships in the yard as well as those in use and moored along the harbour. Food and especially mussels and oysters are vital ingredients in several experiences. Music is also used at events. The walking paths along the canal are used by local residents and visitors. Storytelling is applied as part of the Tales of Limfjorden with volunteers as storytellers and captains sailing the canal with tourists. The boat builders are also mainly volunteers telling stories about the harbour, the ships and their crafts. School programs are of importance and storytelling is used to teach children about life by the fjord as well as in the fjord. During summer season this pedagogical programs are offered to tourists as well as outreach activities ‘extending the experiencescape’ when the nature pedagogues from the museum move to camping sites and shopping centres. Several experiences offered are participatory as people are *doing* things such as

fishing, patting crabs and starfish, rowing boats, catching seafood as well as taking part in cooking classes for all ages where you cook your catch on camping stoves at the beach. Interactive storytelling is also used by the museum web site encouraged people to provide their photos and stories to the website as well as in coming exhibitions about the harbour. The museum recently launched an app covering the whole Limfjord area as a one destination. The app is offered to a wide target group of sailing tourists, land based tourists as well as local people, 'Limfjordsfolk', giving an overview of 'the delights of the fjord' such as the cultural milieus, harbours and history (Limfjordsmuseet, 2014).

The cooperation in Løgstør is focused on creating a living harbour and to use this as a meeting point and arena for lots of events, not only maritime events (cf. Sjöholm, 2013). The dilemma of preservation and development is mentioned by respondents:

Tourists should be able to sail into an authentic old harbor. To sail into a 'time capsule' not into an amusement park with candy floss.

A good harbor is a living harbor both for those with boats and for those without. A harbor dominated by housing is a dead harbor, yet residents will finance the development of the harbor.

The Danish municipal reform is also mentioned as an obstacle in developing this destination due to limited autonomy and struggle for financing.

## 2.5 Discussion and conclusions

The aim of this study is to explore selected Nordic destinations with focus on the strategic use of canals, rivers and inland water areas as experiencescapes to promote destination development. Findings show both similarities and differences regarding stakeholder involvement, elements of experiencescapes and challenges faced.

### 2.5.1 How and by whom are inland water experiencescapes created?

The unique *physical settings* of the studied experiencescapes are all of importance. Besides the element of water all three destinations use ships, boats, buildings, machinery and unique nature in the creation of experiences. Authenticity is valued and preserved canals, hydropower stations, boats, harbours and monuments are used in all three studied destinations. Fishery and boat building as well as nature and the landscape are strongly emphasized as elements in the physical settings around the Limfjord and in Løgstør. There is a stronger theme of industrial heritage in the physical setting of Trollhätte Canal. As pointed out in other canal studies the co-existence of pleasure boats and cargo ships on the canal as well as buildings and the machinery in the lock systems are important in themselves, hence also as vital actors or properties on the stage that increase the attractiveness of the canal area (cf. Tang and Jang, 2010, Urry and Larsen, 2011) the same goes for the harbour in Løgstør as well as the shores and harbours of Limfjorden. Leisure experiences are also linked to the physical setting since large green areas with walking paths are of importance for local residents and visitors searching a relaxing experience of nature in the selected destinations (cf. Fallon, 2012). Weather and season affect the physical settings since these kinds of inland water experiencescapes include many experiences that take place in or close to water, mainly outdoors and during summer season. Weather conditions are uncontrollable aspects that affect the number of visitors in all three destinations.

The *social settings* of the studied experiencescapes include staff, other visitors, volunteers, local residents, service providers and other local destination stakeholders that are involved in the creation of experiences (Mossberg, 2007; Olsson et al., 2013). During summer season there are many people present in all three destinations. The presence of other people may affect or enhance the experience

in both positive and negative ways since other people such as guests, visitors and tourists are difficult to control. Staff and local stakeholders may act as hosts as mentioned by respondents, hence it is of vital importance that destination managers orchestrate (cf. d'Angella and Go, 2009) shared concepts or brands and offer holistic destination experiences (cf. Bornhorst *et al.*, 2010, Elbe and Curiel, 2009) to avoid sending out contradictory or conflicting messages (Ooi, 2005). Network Limfjorden has been working with a vision and a strategy for cooperation for many years resulting in developing several packages of thematic experiences that all communicate the whole of Limfjorden. The members of the network are expected to refer tourists to visit other members. The intense work with branding and identity building in Løgstør results in locally embedded concept and building of community among stakeholders and local residents (cf. Blichfeldt and Halkier, 2013). Volunteers are present in tourism settings although the roles of volunteers in experiencescapes and destination-based storytelling have received little attention (Olsson *et al.*, 2013). Volunteers and local community are stakeholder groups that are not easy to control since they are not employed or motivated by money. However, these stakeholders are important in the creation of experiences as they often have front-line contact with visitors and tourists acting as guides, storytellers or service providers during arrangements and events. Furthermore many volunteers spread their interest and enthusiasm and may also enhance the experienced authenticity e.g. as boat builders telling stories about the harbour and their ships (Olsson, 2012). Volunteers and local community are valued resources of the social settings of the experiencescape in Løgstør although not that common in the Trollhätte Canal or among members of Network Limfjorden.

The *sensory settings* of the studied experiencescapes as described by Donohoe (2012) and studies of the Rideau Canal include a mix of protection, education and memorable experiences. The relaxing sensory experience of water and nature are present in all destinations and may be further studied as slow tourism (cf. Fallon, 2012). The two Danish destinations involve many experiences linked to food and drink whereas this is not common in the Swedish destination. Music seems to be the sensory element that is present in all destinations. In Trollhätte Canal there are several events with music combined with lighting effects and art. Some dramatized guided tours or plays involve several senses and imagination. When it comes to involvement, participation and co-creation of experiences Løgstør offers many opportunities for children and adults as does Network Limfjorden. In the Trollhätte Canal participatory experiences are mainly provided by the Science Centre and during school programs and occasionally during events. The sensory setting of an experiencescape may be partly controllable in the case that you can plan music, lights and design of offerings. Yet it is uncontrollable in that sense that experiences are subjectively perceived and emotional, social and intellectual. It depends on the individual visitors what is really experienced and whether this is memorable or not (cf. Ooi, 2005; Ritchie and Hudson, 2009). Visitor surveys and studies of number of visitors may however give some indications of what is appreciated among visitors e.g. the Network's follow up of Tales from Limfjorden.

When it comes to stakeholders involved in the creation of experiencescapes different approaches are practised among the studied destinations. The stakeholders of the Trollhätte Canal are a small core of powerful actors consisting of municipalities, a tourism company, a power company, the science centre and Swedish Maritime Administration, representing formal ownership and regulators working across municipal borders. These stakeholders take on several stakeholder roles as they take part in destination development as internal stakeholders (destination organisation), hence also as co-producers when providing venues and arrangements, as facilitators making events possible, and as regulators giving approval. There are many formal regulations to consider in destination development and offering of experiences along this waterway due to the fact that the canal is used for goods transportation, pleasure boats, and hydro power plants hence the chosen approach is mainly top-down. Development and changes of this area may also include large investments. Co-producers such as suppliers, restaurants and local shops are sporadically involved during events and not included in the group of internal stakeholders. Neither are volunteers or representatives for non-

profit organisations. In this destination the waterway is connecting two cities but ‘balancing acts’ are needed in cooperation and competition around the mix of identities in destination marketing (cf. d’Angella and Go, 2009).

Løgstør on the other hand has chosen an approach that is mainly bottom-up based on local community support and involvement among all stakeholders of the town. The museum actively encourages close cooperation and sharing of experiences, knowledge and skills to achieve mutual benefits. The museum takes on the role as destination organisation as well as roles of suppliers and venues since many experiences are offered at the museum, canal or in the harbour. Local firms and organisations across industries act as co-producers and suppliers. Local residents act as volunteers supporting the destination managers as well as visitors. The museum is also active as a project organisation involved in several local, national and international development projects, hence an example of an active museum of vital importance for regional and destination development (cf. Hjalager and Wahlberg, 2014; Olsson, 2014).

Network Limfjorden is a project organisation with members from municipalities and tourism companies as well as small firms and entrepreneurs. The network is run by a committee that has the role of destination organisation. The regions and municipalities around the Limfjord act as co-producers, regulators, facilitators, suppliers and venues. The role of visitors is mainly filled by tourists, especially foreign tourists. Involvement by local residents and volunteers varies among the municipalities. This approach may also be considered bottom up due to the inclusiveness of all members and the pursuit of synergy in product development among active members.

### **2.5.2 In what ways is storytelling applied within the experiencescapes?**

The studied destinations all have a rich history and there is great potential for storytelling in unique experiencescapes. The application of destination-based storytelling as a strategic approach is fully applied by Network Limfjorden. The agenda, design, marketing and packaging of the Tales from Limfjorden are performed by representatives from the network. The individual storyteller is active in the operational phase, still with the support of and evaluation by the network. The stories act as a holistic framework for cooperation and development of experiences following the selected themes distinctly frames and communicates tourism offerings linked to landscape, culture, water and children (cf. Mossberg, 2008). This also limits the risk that stakeholders send conflicting and competitive messages (cf. Ooi, 2005). Since Løgstør is part of Network Limfjorden several storytelling events are coproduced and offered in Løgstør. There are mainly volunteers that are active storytellers in Løgstør in contrast to other Tales from Limfjorden. In the Trollhätte Canal the tourism company sets the agenda, design and marketing of storytelling events such as guided city walks. The storytellers are mainly involved in the operational phases. The themes of the stories are not as distinct as in Limfjorden although linked to the mix of identities of the two cities. In all destinations authenticity is valued in storytelling although dramatized or fictive elements occur occasionally. Stories of an area is yet not fully controllable as shown in this study since there occur lots of novels, poetry and arts telling its own story during time as well as more or less controlled current digital stories at web sites or in social media (cf. Olsson, 2013).

### **2.5.3 What are the challenges faced in destination collaboration in inland water areas?**

As described in other studies of canals, rivers and lakes the multitude of stakeholders and complex networks involved in these integrated water systems often leads to conflicting goals and visions, especially when it comes to preservation and development (cf. Conzen and Wulfestieg, 2001; Donohoe, 2012; Hall and Härkönen, 2006). The challenges faced among respondents in the three studied destinations concern financing, ownership and access to the waterfront, inclusion, mixed identities and internal competition rather than co-opetition. Existing studies emphasize the important

role of destination management that negotiates different interests and defends the best interests of the specific water area (cf. Conzen and Wulfestieg, 2001; d'Angella and Go, 2009) in order to use the inland water rather than abuse it (cf. Prideaux and Cooper, 2009). What kind of stakeholders are included is important in internal and external profiling of a destination (cf. Eskilsson and Höglund, 2009). Power, social capital, intellectual and political capital are elements to consider as they affect the relations, trust and willingness to share experiences and ideas within a group of stakeholders which is evident in this study especially for those destinations that cooperate across municipal and regional borders (cf. Healy, 1996).

Finally, by applying Tang and Jang's (2010) factors for assessing successful destinations, i.e., 'recognition as a tourism resource, community support, citizen involvement, governmental leadership and control of vested interests' (p. 438) to the three selected inland water destinations it is evident that Løgstør fulfil all mentioned factors for success. Trollhätte Canal may improve the elements of community support and citizen involvement, which also may enhance local identity, civic pride and community (cf. Garrod *et al.*, 2012). Network Limfjorden has struggled with limited financial resources for destination development across municipal and regional boundaries, i.e., is not fully recognized as a tourism resource by all stakeholders, hence the network will be dissolved.

#### 2.5.4 Limitations and further research

The research in this cross-case Nordic study is exploratory and contributes in the area of destination development of inland water areas and the creation of experiences. A summarized model of dimensions of experiencescapes in tourism settings is presented. Only three cases are studied and thus further studies are needed in order to further elaborate on experiencescapes. Future research in this field is encouraged as further knowledge of canals, river, lakes and other inland water destinations is needed particularly regarding stakeholder collaboration and creation of experiences. Based on this exploratory research it would be of interest to further extend this study to include other Nordic canals, rivers and lakes. The application of digital storytelling is also possible to study further. The concepts of power in destination stakeholder collaboration, sustainable tourism and slow tourism experiences are of interest to further elaborate on inland water destinations.

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### 3. Operationalization of Social Capital in Small Communities – The Impact of Social Media

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#### Abstract

*This article will contribute to the debate about regional development in peripheral areas by examining the social capital in 14 villages in a Danish municipality, and particularly the influence of social media on the social capital.*

*Contrary to the current public discourse in Denmark on peripheral communities and how they are falling apart because of demographic changes, economic cut backs, and structural changes, this study did not find one single village, where the social capital seems to be in any imminent danger. The article also proposes a different perspective on the operationalization of social capital. Social capital is typically measured in big international values surveys based on the variables network, trust and reciprocity. However, this study is based on a qualitative research with interviews in 14 villages in a peripheral Danish municipality. This in depth research shows that when examining the social capital of communities, the most valuable parameter is to look at the most typical proxy for network: associations and in particular the character of these associations. They furthermore give an indication of the kind of social capital they are building and maintaining.*

*The study also shows that we might have to extend the notion of network to include that of social media as this type of network gets increasingly more important. However, the study cannot conclude that the communities not using the social media have less social capital than the one who does, nor that they are disconnected from the citizens.*

**Keywords:** Regional development, social capital and social media.

#### 3.1 Introduction and research issues

One of the main theorists in the field of social capital defines the concept as referring to: “Connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them” (Putnam 2000, p. 19). Several surveys show that Denmark has the world record in social capital, and that Danes are among the world’s most trusting people<sup>2</sup>. The central premise within the theory of social capital is that it is a vital resource to a country, since it facilitates coordination and cooperation among people. When people trust one another, resources are oftentimes more and better used. As such, social capital can enhance democracy, welfare and economic growth. Conversely, some even says that without social capital there can be no economic growth or human well-being (Serageldin, 2000, p. 3).

However, Denmark (like a lot of European countries) has for the past decade undergone efficiency improvements on different welfare benefits. These changes happen overall, but due to the sparse population in the rural areas, they become all the more visible in those areas, and thus end up creating more pronounced inequalities between urban and rural areas. Despite the country’s world record in social capital, the citizens are getting frustrated and demonstrate their discontent by protesting against some of the results of what is perceived to be a threat to life and social cohesion in their local communities. This development could potentially lead to a diminution of the social capital in the areas most affected by those efficiencies.

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<sup>2</sup> For example the European Values Survey, the World Values Survey, and the World Bank.

Three parameters are typically used when measuring social capital: Network, trust and reciprocity. This study, however, will focus on network<sup>3</sup>, as stated by Putnam to be the most important parameter<sup>4</sup>, and also the one challenged by the technological development. International values survey traditionally measures social capital by using proxies or indicators of the three parameters. For example, the typical proxy for network is the extent of participation in associations measured by memberships and the extent of voluntary work in the associations. In 2013 though, networks takes on a myriad of different forms. Internet and smart phones have introduced other ways of real time networks like Facebook and Skype. With a smartphone you have your network with you at all times. One click on the app and you are connected to your network. These types of network are not only used by individuals to get in touch with each other, but also by associations to get in touch with their citizens, and as a platform for communication among the citizens.

The present article proposes to examine the state of the social capital in the rural areas and determine whether or not the social media has an influence on the social capital, and maybe constitutes a new way of enhancing it. The article also intends to examine associations as a proxy for social capital and if social media should be included as another proxy for network. The following chapters present a short introduction to the setting in the Danish peripheral areas. Then follows a chapter on the tools and methods where the methodology is presented, and the conception of social capital used in this article is introduced. After this, the case study is presented, and the networks in the 14 villages.

### **3.2 The peripheral setting**

Peripheral areas, peripheral municipalities, rural districts, Hinterland-Denmark, the Rotten Banana, names in the public debate that took on in 2010 to designate areas characterized by an out-phasing demographically and economically, leaving behind abandoned houses, closed stores, no public transportation, a closed school, and the fear of slumlords taking over the houses.

The statistics enhance this image by showing that the employment frequency is low, that the level of education is lower which leads to lower income and thus a lower tax base for the municipality. Weaker groups are moving to the peripheral areas while the high educated move to the city. There are fewer women, because the young women move to the city to get an education, and most of the young people staying in the peripheral areas don't get an education at all. (Madsen 2011). This does not apply throughout the country, but in particular in the area of the so-called "rotten banana"<sup>5</sup>, that covers the North, West and South of Jutland, all the way through the South of Denmark and up to the South of Zealand. This image is particularly used by newspapers and television to illustrate the situation of the peripheral areas.

A closer look at the statistics reveals nuances to this picture. As an example, one of the strongest labour markets in the country is found not only in the Copenhagen area but also in the West and the Middle of Jutland that is in the middle of the banana. Other characteristics of the peripheral areas are also found in the big cities with a high unemployment rate and in the surroundings of Copenhagen that has big groups of young people without an upper secondary education (Madsen 2011).

The peripheral areas are certainly challenged economically, demographically, and otherwise, but this picture might have been intensified by the articulations of the media, one researcher even calls this extremely exaggerated especially in the period 2010 to 2011 (Svendson 2013, p. 19). The picture of

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<sup>3</sup> Trust and reciprocity will be the focus of another article.

<sup>4</sup> In a lecture at the Department of Political Science at Aarhus University in 2013. This is further developed in the chapter on Tools and Methods.

<sup>5</sup> An expression invented by researcher Hanne Tanvig the 1990'ies as a parallel to the "Blue Banana" that the French geographer Roger Brunet in 1989 drew on a map of Europe to illustrate how France was outside the European centre of growth (Videnskab.dk).

the peripheral areas is far more complex than a rotten banana, and some areas and villages are doing quite well. In fact, they are doing so well that Denmark is becoming a benchmark in regional development, as urban planners are now visiting Danish villages to learn from their positive development (TV-Avisen 16/7 2013).

### 3.3 Tools and methods

This chapter leans towards the traditional proxies used to operationalize social capital, focusing on network encompassed in Putnam’s concept of “social networks”. However, it moves beyond the traditional statistical way of measuring social capital, and focus on a more qualitative approach. This will allow for a deeper understanding of the importance of the network to the cohesion of the communities and ultimately also of the proxy itself which might lead to a discussion of the different ways to measure social capital.

The interviewees were all found with the help from members of the village council in the municipality of Vesthimmerland. They spread the word and suggested people on the basis of their extensive knowledge of the village. This also means that there are no young interviewees. Table 1 shows the distribution in age. The interviews were semi-structured and covered the topics of meeting places and their significance, cohesion, voluntary work, trust, home-pages and other digital forums, and perspectives for the future. The interviews were recorded and transcribed.

**Table 1. Distribution in percentages of the interviewees in age and gender.**

Age	40	50	60	70	80	90	Total N	%
<b>Gender</b>								
<b>M</b>	2	2	1	6	3	1	15	<b>68%</b>
<b>F</b>		3		4			7	<b>32%</b>
<b>Total N</b>	2	5	1	10	3	1	22	
<b>%</b>	<b>9%</b>	<b>23%</b>	<b>5%</b>	<b>45%</b>	<b>14%</b>	<b>5%</b>	<b>100%</b>	

All 22 interviewees have an extensive knowledge of the village they live in and the surroundings and have followed the development, some because they have lived there for many years or are even born there, others because they are somehow involved in community life in the village, or both<sup>6</sup>. As mentioned, social capital is typically measured by looking at three parameters: Network, trust and reciprocity. Many researchers<sup>7</sup> work primarily with trust as a measure. However, in a recent lecture at Aarhus University, Denmark, Putnam<sup>8</sup> stated that network is by far the most important parameter when measuring social capital. When people voluntarily gather in groups, the face-to-face interaction produces trust, and this spreads in the surrounding society as social trust.

Thus, with good networks, trust and reciprocity follows. Social capital is always good, but it can be used for good or bad purposes depending of the kind of social capital. The kind of network that is open and outgoing produces bridging social capital like a community association in contrast to the closed and introverted networks that produce bonding social capital like a gang. The bridging social capital is producing the most positive social capital for everybody to benefit from, and everybody benefits, even though not everybody contributes.

<sup>6</sup> As such, the interviewees do not constitute a representative sample of the population in the municipality, but rather they give examples and qualify the findings.

<sup>7</sup> For example Gunnar Lind Haase Svendsen (i “Tillid anskuet som kapital” from 2011), Gert Tinggaard Svendsen (i “Tillid” from 2012), and Francis Fukuyama (i “Trust: The Social Virtues and the Creation of Prosperity” from 1995).

<sup>8</sup> At the Dept. of Political Science May 21 2013.

Traditionally, associations are used as the proxy for network. Associations can be interpreted as the link between the individual, the different parts of society, and the state, thereby bridging the different parts of society and creating more extensive cooperation. Furthermore, association activities indirectly create the conditions for cooperation between the participants. Thus, it becomes natural to cooperate to find common solutions, develop an understanding for the opinion of others and skills in cooperating, and thereby trust in other people develops (Torpe 2009, p. 12).

In Denmark, associations are built on two fundamental principles:

1. They are run by the members, and this is institutionalized in the sense that in order to get funds, the association needs to present the democratic rules where, among other things, it is stated that the association has a board.
2. They are independent. This means that the associations themselves choose their purpose and their activities, and they decide how to prioritize and how to solve them<sup>9</sup> (Torpe 2013, p. 87).

Denmark has a long historical tradition for establishing associations in relations to economic, political, and recreational needs. Although many associations have been dissolved, many have been established, and as such the association density in Denmark is very high. Although Torpe in 1998<sup>10</sup> found that fewer young people were members of associations, that they were less active, and that this meant a decrease in the total number of memberships, the latest European Values Survey from 2008 actually confirms an increase of members in associations in Denmark, and there is also a noticeable increase of participation from young people (Torpe 2011, p. 236).

However, instead of looking at association density and number of members, the focus is partly on the character of the associations, partly on the communication between associations and citizens, whether the associations are open and outgoing and producing bridging social capital, or closed and producing bonding social capital. According to Putnam, only open and outgoing associations have positive effects on the social capital of the entire society (Putnam, 2000, pp. 22-23).

### **3.4 The 14 villages and the associations**

The municipality of Vesthimmerland (Fig. 1) is a Danish municipality located in the north-west of Denmark in the Region of North Jutland. It is defined as a so-called peripheral municipality<sup>11</sup>. A peripheral municipality is among other things defined by having low work income, weak population growth, growing older population, and a lower education.

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<sup>9</sup> Both politicians and researchers have debated the principle of independence, whether or not there is a confusion about public funding in associations, see among others Ibsen 1997, Bundesen, Henriksen & Jørgesen 2001, and Torpe 2013. However, this is not the issue in this article.

<sup>10</sup> In a survey connected to the project "Democracy from the bottom" presented in Andersen, Torpe and Andersen 2000.

<sup>11</sup> On the basis of 14 different criteria, the Danish Centre for Food and Agriculture in 2007 defined a classification system that divided the 98 Danish municipalities into 4 types: Urban, middle, rural and peripheral municipalities.



**Figure 1. The Municipality of Vesthimmerland in Denmark and the distribution of the 14 villages in the study.**

According to the municipality's plan of action, the municipality of Vesthimmerland includes one main city, three major towns, three minor towns, 22 defined villages<sup>12</sup>, and a number of small, undefined communities (Plan- og Bæredygtighed's strategy 2012, p. 22). For this field study, the 22 defined villages were chosen, and the interviews were made in 14 of them in the period from January to April 2013 (Fig. 1).

The 14 villages have developed very differently. Some of them still have their local school; some of them haven't had a school for many years; some of them had their school closed two years ago at the last school structure reform. Some are fighting to keep their grocer's; others haven't had one for quite some time. Some still have a regular bus going through; others had their bus cut back. Still the villages are very much alive, and the citizens are very aware of the fact that they need to be active to keep the sense of the community alive, and the village to look good, and they pursue different strategies in doing so.

Table 2 illustrates the different associations in the 14 villages. In total there is an average of 6.5 associations per village. The density is calculated as the distribution of associations on the number of inhabitants. In this study the density is almost 47 persons per association. A comprehensive statement of the density of Danish associations does not exist, but compared to a big city as Aalborg (128.644 inhabitants) has a density of 1 to 80 (Torpe og Kjeldgaard, 2003), which also confirms Torpe's statement that the density is higher in smaller towns (Torpe 2013, p. 88).

<sup>12</sup>In the plan of action, the villages are defined geographically and not by number of inhabitants. According to a report from the Danish Ministry of Environment in 2007 it is impossible to draw a lower limit to the number of inhabitants in a village (Miljøministeriet 2007, p. 11). However, Statistics Denmark doesn't collect data for villages under 200 inhabitants which is probably one of the reasons that many defines villages as being a collection of houses with more than 200 inhabitants. Of the 14 villages in the study, 4 of them have less than 200 inhabitants.

**Table 2. Associations in the 14 villages<sup>13</sup>**

	Agger sund	Bl ære	Fje lsø	Gunde rsted	Hau bro	Hvalp sund	Overl ade	Sime sted	Skiv um	Vester Ho rnu m	Veg ger	Vils ted	Øster bølle	Øst rup	To tal
<b>Associations</b>															
Community association	1	1	1	1	1	1	1	1	1	1	1	1	1	1	14
Sports association	1	1	1	1	1	1	1	1			1	1	1		12
Senior citizens association		1		1	1	1	1	1					1	1	8
Local history archives					1		1			1					3
Book café/library	1	1				1	1								4
Heating plant						1						1			2
Street lights				1	1							1			3
Cable provider				1											1
Energy association											1				1
Water board		1	1	1	1	1		1	1		1		1		9
Badminton association						1	1			1					3
Soccer association			1												1
Petanque				1											1
Folk dance association							1								1
Hunting/rifle association	1	1										1			3
Golf club						1									1
Tilting at the ring association											1				1
Handball club						1				1					2
Bicycle club								1							1
Singing association/choir					1						1				2
Sailing club						1									1
City party comitee											1				1
Wednesday club											1				1
Local support association		1						1			1			1	4
Model plans club	1														1
Fishing association	1														1
Store rental association											1				1
Scouts			1		1	1	1			1	1				6
Action group											1				1
Boat association	1														1
<b>Total</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>11</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>10</b>	<b>10</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>91</b>

It is remarkable that all 14 villages have a community association. They organize activities for the entire village like seasonal parties<sup>14</sup>, communal eating on a regular basis and amateur theatre. They are also the ones in charge of the external frames of the village by organizing an annual cleaning day, applying for funds to tear down old abandoned, houses and organizing the voluntary work on the

<sup>13</sup> The list is not exhaustive but covers the associations defined as such according to the definition mentioned above and registered in May 2013.

<sup>14</sup> E.g. Christmas lunch, Carnival in February and summer party

community centre, the common playground, or other things that is in need of being fixed to make sure the village looks good, not only for new comers and for tourists but **just as much for themselves as part of a sense of self as an attractive village.** Most community associations have invested in tents, tables, chairs, flags, and flagpoles for the citizens to borrow for special occasions.

The community association does not have individual members but the household as a member and according to some of the interviewees, the community associations have complained that it is difficult to recruit members, especially newcomers. Many community associations welcome newcomers with a flower and sometimes also a free ticket to a communal eating. Still, some of them insist on not participating in the communal life. When talking about recruiting members to the board, one of the interviewee tells that primarily the old guard is in charge, “but the old guard gets tired too” the interviewee says, and they are now being replaced also with newcomers. According to several of the interviewees, young people are very difficult to recruit, because they move away to get an education, and they don’t come back. However, none of the associations have any problems finding people for the voluntary work, to build, clean, or redo the community centre or other common places in the villages.

The activities organized by the associations, and in particular the community association, take place at some of the meeting places in the villages. That includes community centres, playgrounds, gymnasiums, stadiums, and parish houses. Ten villages have a community centre or a multi-function house. In some villages the centre is an independent association with a board, in others the community association owns the centre, and has organized the voluntary work to redo or to build it. The four villages that do not currently have a community centre are right now applying for funding to build one, or they are in the process of building.

Some researchers have found that not all associations contribute equally to the social capital, in particular the sports associations (Stolle and Rochon, 1998). However, many of the sports associations in this case study are in charge of organizing a lot of the activities in cooperation with the community association. In some villages, they are the ones in charge of the community centre, and the stadium is not just for those practicing sports, as an interviewee said: “when the kids are practicing soccer, the parents and grandparents come down for a beer, a cup of coffee or an ice-cream and a talk”<sup>15</sup>. This is also the case for the gymnasium that has a function of a meeting place also for those not practicing any sports. Thus the sports associations in this study seem to have an open and outgoing character, and as the community associations, they are working for the cohesion of the community.

As for the parish houses, it is important to mention that Denmark has a state church and as such is not dependent on donations from the local community. The parochial church councils are in charge of activities like baby-hymn-song, pizza- or spaghetti-services for children or the showing of cult films for adolescents and adults. Typically, this takes place not in the church but in the parish house or in the church meeting room. They also organize concerts or talks for everybody in- and outside of the community. Seven villages in the study have a parish house, and one village has applied the rural dean for one this spring. Contrary to the community houses, the parish houses are often built by companies. Within the last 15-20 years the parish house has become an increasingly important meeting place in the village, and the parochial church council is an important player in the local activities some times in cooperation with the community association. For example, in one village the Carnival-parade at Shrove Sunday starts with a service in the church, then the parade in the village, and they end up in another meeting place for coffee, the “slå katten af tønden”<sup>16</sup> and the shrovetide bun. Contrary to the community houses, everything served in the parish houses has to be for free.

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<sup>15</sup> The club house serves free coffee at every practice game

<sup>16</sup> Actually means “hitting the cat out of the barrel” and is somewhat similar to using a piñata

One village in the study only has one association<sup>17</sup>, the community association that cooperates with the parochial church council<sup>18</sup> on some of the activities in the village. The community association organizes as many activities as community associations in the other villages, and has as much backup for their activities and for the voluntary work as in the other villages. In addition to the community association they have a non-organized sports club, a street soccer club that practice in the stadium in the summertime. As one of the few villages, this village gathers two teams<sup>19</sup> that play tournaments in the surrounding villages and towns at their summer parties. The association includes the surrounding areas in the activities, a feature that is also evident in the name of the association: “..that is one of purposes, to tie the surrounding areas to the village, right?”. (M12)<sup>20</sup>. Although the club is not formally organized as an association, it is open and independent, thus it can compare with the formal sports association in the role they play in the village. This is supported by Putnam that also sees networks as more informal social relations (Putnam 2000).

The study revealed a new trend in three villages. They have initiated cooperation with other villages to promote themselves. The objective is very well described in the brochure of one of those cooperations:

*For a year, a group of local citizens have worked with the idea to make our local community more visible. With increasing visibility it could get even more interesting to choose our area for those looking for a new house. At the same time we make sure that all present citizens know of the excellent offers of schooling and associations that exist. (Authors translation of the brochure “Åben lokalsamfund”)*

The cooperation has formed on the basis of different common features, either a lake, a school, or a stream, the latter one even crosses municipal borders. They all agree that they need a larger platform:

*Many small villages have tried to use the municipal homepage, but you drown in the forest of homepage addresses in the left side when you are looking for something. (M9)*

Putting all this together, the associations in this study appear to have both an open and outgoing character and in spite of challenges in recruiting members and members to the boards, it seems they are producing bridging social capital.

### 3.5 The associations and the social media

Before the Internet<sup>21</sup>, associations typically communicated orally whenever they met each other, or in writing by hanging a note at the school, at the grocer's, or another place in the village. In 2013, only six of the 14 villages still have a grocer's, and although the associations still hang notes at the grocer's to inform the citizens of up and coming activities, they cannot be sure that the information reaches the relevant audience, because not all the citizens shop at their local grocer's on a regular basis.

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<sup>17</sup> A part from the water board. In Denmark most water supply comes from common water plants established as associations.

<sup>18</sup> We have chosen not to count the parochial church council as an association, because it is institutionalized in the church and as such not independent according to Torpe's two basic principles.

<sup>19</sup> Street soccer is played in the summer against other villages or streets in bigger towns. The teams are of mixt gender and age.

<sup>20</sup> This is also the case for four other villages, one community association includes “parish” in its name, and one includes the name of the neighbouring village with whom they cooperate.

<sup>21</sup> Even though social media are defined as digital services created by the users, where they share the content like Facebook, Wikipedia and YouTube ([www.ibizcenter.dk](http://www.ibizcenter.dk)), we have chosen to include the use of homepages particularly because the associations have several years of experience with homepages, and only a couple of years of experience with Facebook.

The associations typically use five different means of communication: Newsletter, bulletin boards, municipal home pages, own homepages, and the local paper.

Newsletters: This study shows that there are both independent ones, and some you find in the newsletter from the parish typically a calendar. Some of the newsletters you subscribe to and get by e-mail, others are printed and put in your mailbox. The printed ones typically include a calendar for a certain period.

Bulletin boards: Many villages have them placed either at a central place in the village or at each end of the main roads. One village got a soccer player in metal, and he is put out in the middle of the village when there is an activity as a sign to people. And it works. However, many complain that it is difficult to get in touch with people.

Municipal homepages: At one point, all villages, cities and towns in the municipality of Vesthimmerland had a homepage on the municipality's website. However, according to one interviewee the homepage was very difficult to update, and the one in charge always had to call the municipality to get specific codes to edit the homepage. Another tells that, the calendar didn't really work, which made it impossible to use to advertise activities. This left many of the villages' homepages not up to date with many dead links, and the citizens lost interest

Own homepages: Because of the difficulties with the municipal homepage many villages decided to create their own homepage. By April 2013, ten of the villages in the study had their own webpage telling about the village, what you can find, and what you can do. One person in or connected to the community association is typically in charge of the homepage and its updates.

Local papers: Although it is a weekly paper that reaches the entire municipality, they are only used to announce specific activities, because it is too expensive to advertise every week.

Around 2010, a few community associations started an open group on Facebook<sup>22</sup>, and by April 2013, nine associations (community and sports associations) had open groups on Facebook, the latest joined in January this year. The groups work as point of information. The community association reminds of activities, post photos afterward. The citizens ask questions, post missing item reports, found objects, share photos, and comment on activities. They also work as two-way communication, when typically the community associations ask for help for example to clean up or thanks for the help, or start a debate. Table 3 presents the distribution of the use of homepages and Facebook on the numbers of associations. The majority of villages use both homepages and Facebook, because as one interviewee explained: "if you want to make absolutely sure to get in touch with people, you need it all". Otherwise it might end up, as another interviewee told about an activity organized by the community association:

*"They (new comers, red.) didn't know. But it was in the paper. Yeah but they didn't read the paper. There had also been a not at the grocer's. Yeah, but they never came at the grocer's. Besides they send out a brochure. But that had been thrown out with the advertisements. Sometimes it is really difficult to get in touch with people. But also...if the interest lacks a little then....". (K2)*

At a particular event, a community association made a special combination of means of communication. In cooperation with other villages they had an "open community" day in April 2013. In the brochure handed out to visitors, they had made a QR code that led directly to the homepage of the cooperative villages.

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<sup>22</sup> According to Facebook, there are three privacy options for groups: Open, closed and secret. In an open group anyone can participate or be added as a member (Facebook.com).

**Table 3. Distribution of use of Facebook and homepages on numbers of associations**

<b>Ways of communication</b>	<b>Number of associations</b>
<i>Homepage alone</i>	4
<i>Facebook alone</i>	3
<i>Both</i>	6
<i>Neither</i>	1

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One village has neither a homepage nor an open group on Facebook. Currently, they don't have any problem with the turnouts for their activities, or volunteers to help, or communicating with the citizens. Activities are listed in the newsletter of the parish. Three villages are in the same parish, and each village has a couple of pages to list their activities and remind people to put out the flags for the confirmands. Furthermore, eight days before an activity they put out soccer players in metal as noticeboards at the main entrance in the village. When the citizens see them, they know something is going to happen in the village. According to the interviewee, this works very well. As he explains: "*A homepage that is only maintained once every 5 years is not worth a lot*" (M12). The problem is finding a person dedicated to maintaining and to update a homepage. However, if they get the parish house they are applying for they might look into it again, because they probably will be organizing bigger events and need to attract people from outside the village, however: "*It (homepage, ed.) will only have an effect outside of town*". (M12)

Three associations have chosen to have an open group on Facebook in-stead of a homepage. An interviewee from one of the villages where they had just started the open group told that the community association's idea was that the open group should work as an information page, to communicate activities but also to debate and for the citizens to ask questions for example when to put out the flags, so the entire villages have their flags out at the same time.

In the other village that started their open group in 2010, the interviewee told that only a small inner circle actually uses the open group, so they have to put up a note in the information box as well as in peoples mailboxes to make sure everybody is properly informed of the activities. In a third village, the sports association started the open group a year ago. According to the interviewee it is an easier platform to use than a homepage, and a quicker way to get something out. People use it for example to post photos from matches, but it is also used to inform about activities in the village. According to him though, there is also a need for a homepage with more standard information about the village for the visibility (M11). Two community associations had their general assembly shortly after the interview, and one of the items on the agenda was to discuss a strategy on how to use their open group on Facebook actively (M15, M15, M9).

To sum up, the associations having an open group on Facebook are aware that they need a strategy to get the most out of the possibilities in that particular media, and that it is an important tool to get in touch with people, because, as one interviewee said: "people don't read their mail every day" (M11). However, if you want to make absolutely sure to get in touch with people you need it all: Facebook, the note at the grocer's, and the text message (M11).

### 3.6 Reflections

Examining the social capital in this study has led to a remarkable conclusion: Although the 14 villages have different challenges, this study has not revealed one single village where the social capital seems to be in any danger. On the contrary, the associations as well as the citizens are acutely aware that they need to be active to keep the village together. One way to do this is by organizing activities for the entire community or for the cooperative communities, and this is mostly done by the local associations. Those activities are both entertaining and related to work for the benefit of the community. Another way to keep the village together is by offering ways of communicating, now that the citizens might not meet in public places such as school or the grocer's. They use the technology available, but they also realize that they need to form strategies to get the most out of this media. At this point, the associations seem to have concluded that homepages are static but very useful for documenting and for background information; Whereas Facebook is a dynamic and useful tool for direct communication with the citizens and among the citizens. However, the study does not confirm that cohesion depends on social media, in the sense that the associations who are not using those platforms are disconnected from their citizens. Rather the study shows that all the different tools of communication and information complement each other and are necessary to keep in touch with the citizens and the citizens in touch with each other. For now, this seems to be working. Before long, the associations probably do need to get more and more digitalized to get in touch with the citizens, for the citizens to communicate among each other also when they are at work in different cities in the region, and also to catch the interest of potential new comers.

Contrary to the findings of other researchers, this study shows that both community associations and sports associations have an open and outgoing character, that welcomes everybody in the village, as participants, as volunteers, and as members of the board, and that they cooperate both with other villages and the municipality, and that their activities and strategies are vital to the cohesion of their local community. This is confirmed by the interviewees when they were asked about strategies to secure the cohesion of the village everybody answered "the associations": "*Otherwise your neighbors aren't of any concern to you*". (M5)

It makes good sense to use network as a measure for social capital and associations (both community associations and sports associations) as proxies for network in small communities. This might prove to be different in a larger town. The use of the social media shows that we might have to extend the notion of network as this type of network gets increasingly more important, as stated by one of the interviewees: "*if we are to attract the young ones, we need to communicate on the platforms they use on a daily basis*" (M9).

In spite of the different challenges, the study reveals that the communal activities and meeting places are important for the cohesion of the village, and this way of dealing with regional development could be another benchmark for Danish villages, but there is still some work to be done to change the image of the "Rotten Banana" in the media. The good stories still needs need to be told.

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Transcript abstracts from 22 interviews in 14 villages made in the period from January 2013 to April 2013. The translation from Danish to English is made by corresponding author.

# 4. Municipal Support of Entrepreneurship and Business Development from an e-Government Perspective

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## Abstract

*This chapter aims to describe and analyze municipal support of entrepreneurship and business development from an e-government perspective. We analyze two Swedish municipalities and a local tourism company partly owned by the municipalities located in a region undergoing structural change, focusing on efforts of municipalities to develop digital services to support entrepreneurship and business development to promote local and regional development. The research method is based on case study methodology. The case studies are part of the research project “Maritime Inlands – past, present and future strengths” (Marifus) financed by Interregional European Union Regional Development Fund (Interreg). Based on theoretical discussions of entrepreneurship and e-government theories, the analyses of the two case studies show substantial variations in how they supported entrepreneurship. The findings indicated that e-government services so far have under-used potential for the studied municipalities and the tourism company in order to support efficient communication and information towards the entrepreneurs and businesses aiming at local and regional development.*

**Keywords:** e-government, local and regional development, entrepreneurship, business, network, social media

**Acknowledgements:** This chapter has been partially supported by the Marifus project financed by European Union Regional Development Fund. The authors are also thankful to the discussant Anna Sörensson within the MARIFUS-session at the 16<sup>th</sup> Uddevalla Symposium June 15<sup>th</sup>, 2013 for valuable comments.

## 4.1 Introduction

In recent decades development on local, regional and national levels has become an increasingly important activity for governments across the world (Pike, Rodríguez-Pose and Tomaney, 2006:3). However local development is complex and intertwined with conceptions depending on what it is designed to achieve (Pike *et al.*, 2006). Local development takes place in a regional context and may therefore be said to be a part of regional development. It takes place in the interplay of structural changes and individual achievements. Thus local as well as regional development is a multidimensional phenomenon and therefore there is a lack of a single definition of the concepts (Das, 1999; Pike, Rodríguez-Pose & Tomaney, 2007; Karlsson, 2012:1). Strategies and issues for local economic development addressed by local governments have been identified as a key factor (Binns & Nel, 2002). Supporting entrepreneurship at the local level is seen to increase economic activity (Mayer and Knox, 2010) which then means increased economic activity also on the regional level. Entrepreneurship is considered by many to be an important factor, not least by policymakers. Much faith has been put in the role of entrepreneurship in the transformation of regions in recent years (Baumgartner *et al.*, 2013; Karlsson & Gråsjö, 2013), particularly with respect to economic growth and employment. This development is not only on the local and regional level but also in national

contexts (Audretsch, Grilo & Thurik, 2007). The relationship between regions and entrepreneurs are intertwined, according to Feldman (2001) as regional endowments provide opportunity and resources for entrepreneurs, while entrepreneurs simultaneously shape the local environment.

Also in Sweden, local governments are striving for development, although few local governments have the resources to make the kinds of capital investments often required to significantly improve local development potential. Therefore local development initiatives often require investment and policies coordinated with other local governments, regional authorities and even private companies (Cars *et al.*, 2002; Rader Olsson, 2009).

The emerging information society challenges relations between not only public agencies and citizens but also businesses in many ways (Bernhard & Wihlborg, 2012). Using different forms of information and communication technologies and providing e-services on the internet are basic components of e-government. Many businesses have extensive contacts with the municipality when establishing a business or while running the company. Within the Swedish municipalities, the business office is usually responsible for most of the communication regarding these issues. Their work is based on local conditions for business and linked to a number of registrations and conditions where local authorities regulate certain activities. The physical conditions for local business demands are also an issue for municipalities to handle due to the fact that the municipalities have a planning monopoly on land use within municipalities. Thus, for example, all companies intending to build or rebuild and therefore need building permits, have to communicate with the municipality (Persson, 2011). A traditional and fragmented culture of public authorities puts new companies at a disadvantage by demanding extensive knowledge in order to co-ordinate the companies in various matters with respect to the authorities, was one lessons learned from this Swedish study focusing on coherent e-Government within the public sector within the field of business development (Persson, 2011, 42f.). Thus a more business-friendly authority needs to facilitate co-ordination of matters especially towards the new established companies.

Further, a “drain-pipe” orientation in the handling of public matters must be replaced by a system-oriented approach with extended work roles for both the handling officers and their clients, contributing to a more comprehensive picture of the municipal services where for example information is made more congruent. A system-oriented approach also puts demands on competence development for the handling officers, in order to better understand the companies’ complex business processes.

The approach also means that most focus must be put on the companies with the greatest need for advice from the handling officers. Therefore developments of more e-services as well as personal advice are both needed. Information to new companies has to be process-oriented and adjusted to the different business branches, instead of organized according to the needs of a bureaucratic organization. There is also a need to adjust the different channels used for information and communication to the companies. New companies need more personal advice and simply organized information, but more experienced companies need deeper information and e-services (Persson, 2011).

In a study of the Swedish Agency for Economic and Regional Growth (2011) of success parameters for sustainable development and competitive regional development for nine cluster initiatives in Sweden, nine parameters were identified as especially important for the region. Clusters were defined as geographically co-located and co-working actors within public and private organizations (*ibid.*). The success parameters should not be seen as isolated from each other, instead they mutually reinforce development. The nine parameters are meeting arenas, leadership, a long-term vision, common value basis, links to global markets, regional trademarks, leading businesses, continuous

competence development and test environments. These parameters could be further developed and analysed as a basis for local e-government services.

#### **4.1.1 Aim of the chapter**

In this chapter we focus on municipal support of entrepreneurship and businesses from an e-government perspective aimed at local development in two Swedish municipalities and the surrounding region. The two municipalities are both located in a region where there recently has been a closure of a major car industry. This problematic situation has contributed to a need for re-orientation of local and regional development strategies for the municipalities. Therefore the municipalities have established commonly owned tourism company aiming at developing the destinations.

The research questions for our study therefore are:

How do the municipalities support entrepreneurship and businesses in order to promote local development?

Do they use the potential of e-government in order to support local development?

In the next section we will present methods and material of the study. Then context and concepts related to this study will be discussed. Findings follow in section four and analysis and discussion in section five. Finally, some conclusions are drawn and discussed in section six.

## **4.2 Methods and material**

The method used in this study is based on case study methodology. Case studies are preferred when you want to study an actual phenomenon in its real context, and are used as a research method in social science disciplines such as public administration, political science, business and marketing and evaluation (Yin, 2009). Case studies are built on direct observation of the phenomenon and on interviews with people who have experience in the actual case. The methodology of case studies' particular strength is that it allows handling of many different kinds of empirical data such as documents, artefacts, interviews and observations. A case can also be a single organization or single location (Bryman & Bell, 2011).

In this article we analyse two municipalities in a case study (Municipality A and Municipality B) and a tourism company. The approach of the case study is based on qualitative interviews and document studies. Six qualitative semi-structured interviews are made with seven employees within both municipalities and the tourism company. The respondents work at divisions related to local entrepreneurship and business development and/or in a tourism company. We have also conducted interview with a respondent at the IT department of Municipality A. Unfortunately the corresponding position in Municipality B was vacant. Therefore we have no similar interview from this case.

The interviews are recorded and transcribed. Each interview took about an hour. All interviews were conducted in spring 2013. All interviews are made together by both the authors. The analysis is made by qualitative content analysis and the authors have made them in two steps; first separately then these analysis have been discussed together. In some issues following-up questions have been respondents in order to get a further understanding.

Furthermore, we have made document studies such as policies and strategy documents for both municipalities as well as studies of the websites of the municipalities. Except for this, we have attended several project and information meetings within the Marifus project where employees from

the municipalities and the tourism company as well as local politicians participated. These meetings have contributed to our pre-understanding of the problem field.

### **4.3 Context and concepts**

#### **4.3.1 E-government**

The development in using ICT to provide e-services on the Internet and using other forms of information and communication technologies are basic components of e-government. However an analysis and comparison of e-government definitions show that the term e-government is defined in different ways and there is no universally accepted definition of the concept (Bernhard, 2013; Yildiz, 2007). According to Giritli Nygren, (2009b), the concept e-government is moving at the boundaries between the public sector, new technology and changed administrative forms (Giritli Nygren, 2009b). Heeks (2006:1) define e-government as “all use of information technology in the public sector” (Heeks 2006:1). Heeks definition is used here encompassing all use of digital information technology in the public sector, which means that it consists of technology, information and human beings who give the system purpose and meaning, and the work processes that are undertaken.

From an international perspective the usage of Internet and computers is high in Sweden and e-Government in Sweden generally ranks among the top countries according to international evaluation studies (United Nations, 2012; Accenture, 2007). Many citizens prefer digital contact today (Regeringskansliet, 2010). As many as 89% of all Swedish citizens use the Internet (Findahl, 2012).

Mobile use of the Internet has increased greatly, and 55% of the citizens now use smartphones. 84% of Swedish citizens use the Internet for e-commerce activities, and are apparently not worried about fraud, for example, as was the case some years ago (ibid.). E-government is defined as “public business development that takes advantage of information and communication technology combined with organizational changes and new competencies” according to the Swedish action plan for e-Government 2008 (Regeringskansliet, 2008:4). The use of ICT within and by governmental organisations is combined in the concept of e-government (Taylor & Lips, 2008; 2010). The development of e-government is formative. For example social media, new technological applications and changes of administrative practices, continuously re-construct usage, meanings and practices (Fountain, 2001; Jansson, 2011).

In a new strategy for e-Government 2012 (Regeringskansliet, 2012) the role of e-Government as contributing to increased innovation and more co-operation among private and public actors in order to develop e-services and increase public efficiency, simplicity and transparency is stressed. The public internal information will be more externally available with open data and open source solutions, contributing to a better co-operation with private actors, and to support entrepreneurial initiatives and national development as well as better e-services for businesses. According to a strategy for e-society developed by the Swedish Association of Local Authorities and Regions (SALAR, 2013), co-operation among municipalities is needed, but also co-operation on regional, national and EU level is needed in order to develop e-government solutions that contribute to simplicity, efficiency and transparency for both citizens and businesses. New and efficient e-services has hitherto contributed to reduction of total administration costs for Swedish businesses of 7 billion (from originally 96.5 billion) during 2006-2010, according to statistics (Swedish Agency for Economic and Regional Growth, 2013). But users do not automatically use available e-services, according to a study of OECD (2009). The gap between the supply and use of e-government services is a significant trend in the figures, in the studied countries. E-services for businesses has however a higher take-up trend, compared with e-services for citizens.

### 4.3.2 Entrepreneurship

The phenomenon of local government efforts to actively foster expansion and economic development has been described by some as entrepreneurial behaviour (Wilks-Heeg *et al.*, 2003). The importance of entrepreneurs and entrepreneurship contributing to economic growth and development was stressed by Schumpeter already in 1934 (1934, 1942). The term entrepreneurship is however, considered to be multidimensional, although many of the general definitions of the term are centred on the creation or discovery of business opportunities (e.g. Acs and Audretsch, 2003), and the gathering of resources to exploit them (Westlund, 2011; 2012). It follows that entrepreneurial behaviour has been studied by scholars in a range of contexts across a range of disciplines (Mintrom & Norman, 2009; Aldrich, 2012), like e.g. “cultural entrepreneurs” that has been studied in economic history (Mokyr, 2013). Start-up of new enterprises, however, is by far the most widely used definition of entrepreneurship. Usually it is measured by the number of firms being started during a certain time period, in relation to the number of inhabitants of a certain geographical area (Westlund, 2011; 2012). When using the definition of entrepreneurship as merely the start-up of new firms, there is a great risk in missing important aspects of the term and how it emerges and develops (Westlund, 2011). Westlund suggests the broader definition of entrepreneurship as “the discovery, evaluation and exploitation of opportunities” (2011: 215). This means that by broadening the entrepreneurship concept, entrepreneurship can be considered as also taking place outside the business sphere. This is the definition of the term used in this chapter. Westlund (2012) claims that political/policy entrepreneurship is a type of entrepreneurship within or connected to the public sector. In a Swedish pilot study (Westlund, 2012) policy entrepreneurship by local governments is positively connected to growth in municipalities outside the metropolitan regions.

### 4.3.3 Network

Networking is an important business activity for entrepreneurs and there is an association between networking and growth as it allows cost effective access to knowledge and resources (Lechner & Dowling, 2003). However, earlier research suggests that economic development agencies continue to have problems reaching out to microbusinesses (Chell & Baines, 2000). A typically business network is the set of people or firms with whom one business or business person has relationships (Fuller-Love & Kilkenny, 2012). Networks theories may contribute to a logic that provides a better understanding of contemporary tourist destination marketing practice (von Friedrichs, 2009). Digital networks are one main characteristics of the network society, according to Castells (1996), and may facilitate communication between actors regardless of place and time. Digital networks for the communication among entrepreneurs and between entrepreneurs and the municipality could probably be used as a complement to the traditional face-to-face contacts. Nijkamp (2003) argues that physical and virtual networks favour e.g. entrepreneurial spirit and resource mobilization.

### 4.3.4 The Swedish settings

The Swedish multi-level government system is based on three levels: national, regional and local. Public service delivery (the tasks of the public sector) is distributed among all three levels but citizen-oriented services are mainly supplied by municipalities. The 290 Swedish municipalities have a constitutional autonomy. The municipal services concern almost all service for businesses and citizens in their everyday activities and in comparison with other public organizations, for example state authorities, municipalities are very multifaceted and handle a broad and complex set of issues, such as planning permits, environmental permits, matters regarding social services and schools, welfare, etc. (Gustafsson, 1999; SOU, 2008). The internal context of each municipality can be very different due to different geographic locations, population, social structures and economic conditions and the development towards e-government varies among Swedish municipalities, since the number

of inhabitants and local economy varies (SALAR, 2009). The e-government development is given top priority in the larger municipalities and the priority level decreases with the size of the municipality (SALAR, 2011). Regional and municipal administration in Sweden represents approximately 70% of public administration, where the regions mainly provide health care and oversee urban traffic systems.

## 4.4 Findings

### 4.4.1 Municipality A

Municipality A has more than 50,000 inhabitants. There are 3,800 companies in the municipality, most of which have fewer than 20 employees and half of which are sole proprietorships. The business administration unit of the municipality focuses on strategies for business development for companies established in the region. There are four employees at the unit. A few of the employees work with regional issues, and a few work with more local business. One of the employees is an international coordinator, working with EU projects for example. Traditionally, the municipality has been dominated by manufacturing industries, such as a major car manufacturing company. A few years ago the company went bankrupt and many people lost their jobs. Within ten years the number of jobs within this sector had been reduced by half. The production in the municipality now is moving from heavy industry towards professional services. The municipality hosts big film production companies, creating job opportunities for local residents. Some new companies within the field of e-commerce have been established recently and businesses in other industries have also been established.

For more than half a century the political leadership of the municipality has been very stable with Social Democratic majority, facilitating development of long-term strategies for municipal administration. The vision for the municipality earlier focused on being a leading municipality within the fields of technology and industry. A few years ago the vision was changed and the municipality now strives to be “proud and innovative with focus on the future.” Respondent A1 commented that “this is not a vision because it is too vague.”

The business strategy of the municipality has been very clear the past two years, according to respondent A2. The focus is on established companies. Other companies are also welcome to contact the unit, but the companies are prioritized according to some defined criteria. The chosen companies should have a growing turnover or number of positions, with more than 20 percent the last three years. There are about seven hundred such businesses in the municipality. In order to reduce the number of business to focus on (for practical reasons), the last criteria for the selected businesses are that they should have at least five employees and a turnover of at least SEK five million. The businesses are thus reduced to seventy businesses, and that is a more manageable number to visit, for example, the respondent A1 stresses. “We call them the seventy club,” the respondent continues. The selected businesses are “spoiled” by the municipality; representatives from the business administration unit visit the selected businesses and record their needs. The formulated needs are then transmitted by e-mail to a network of both municipal and private property owners, who could contribute rental of new premises, for example. Such requests are usually responded to very quickly, and then the needs of the customers are solved very easily, according to respondent A2.

There has been an increased growth of these businesses, and they are not as sensitive to cyclical variations in business as usual, the respondent A2 stress. For the next year the 70 club will turn into a “140 club,” as an additional seventy companies has been growing the last two years and are now

included in the club, according to the defined criteria. These businesses are found in a variety of areas such as manufacturing, services, and commerce.

Another part of the strategy for business development in the region, is to focus on four branch clusters; vehicles (about 65 businesses), air (about 10 businesses), creative businesses (e.g. music, sound, movies) (about 70 businesses), and e-commerce (around 100 businesses). One idea behind the focus on the clusters is to market the branches externally in order to attract even more businesses to establish in the municipality. Another idea is that the focus on the clusters should help facilitate exchange of competence and employees among the clusters.

The business administration unit co-operates with the tourism company mainly regarding business tourism (not private tourism) and events. In order to promote entrepreneurship the unit also co-operates with an internal unit at the university in the municipality, who support and motivate students to start their own businesses. The unit also co-operates with an external innovation centre based on research and innovation. The business administration unit is not pursuing the activities of these organizations; instead they buy services from them.

The main role of the unit of business administration, according to respondent A2, is to facilitate contacts between the different stakeholders to inform and support the entrepreneurs. The respondent stresses the importance of personal contacts, and always tries to visit all businesses when a relationship is established with the unit. The respondent also expresses the strategy of “person instead of paper.” After the first visit they communicate a lot with e-mail and SMS, but never with letters. The website of the unit is important in order to market and provide information about municipal services to the entrepreneurs. At the unit they are also developing a digital registry of all e-commerce businesses, in order to facilitate the contacts among them. Digital registries are also used in order to distribute newsletters to the businesses.

All managers of the business administration units in the nearby municipalities have a monthly lunch meeting in order to discuss common issues. They co-operate more intensive when big companies are interested in setting up in the region, the manager stresses.

There is a special page on the municipal website for industry information and communication. There is, for example, information aimed at established businesses, as well as information about how to start a business and many links to useful external websites. The Business Agency has the monthly newsletter as a pdf file posted to the website. The municipal business strategy and action plan are also found on the site. There are no interactive e-services on the industry website, except for a form that can be filled out on the site, but must be printed in order to sign it.

The municipality has an advanced e-Government platform integrated with a process-based activity development strategy and methods for development of e-services. The employees at the different units make the process-based analysis of work routines using the methods, and then employees at the IT unit make models of the processes, and transform the processes into e-services. The modelling process is very rapid (no programming is needed), and takes less than three days, according to a respondent. There are no other municipalities working with methods like these yet, the respondent continues. The platform was launched a few weeks before the interview, and so far they had developed two simple e-services available to citizens on the website (request for transportation service, and a monthly report from contact persons). More complex e-services will soon be developed regarding excavation permits, comments and complaints regarding municipal services, and green car permits, for example.

The municipality has developed an e-Government action plan, related to the strategy for the e-society developed by the Swedish Association of Local Authorities and Regions (SALAR, 2012). The organization represents the governmental, professional and employer-related interests of Sweden's

municipalities, county councils and regions (SALAR website, 2012). The strategy for e-society is in turn related to the new national digital strategy for e-Government (Regeringskansliet, 2012).

#### **4.4.2 Municipality B**

Municipality B has about 37,000 inhabitants and has a history of being a centre for several government agencies. In the municipality there are about 3,000 registered companies. Most of these are very small businesses with up to four employees.

Within the municipality, there is a Business Development Unit with three to four employees, focusing on strategies for business development of the businesses established in the municipality and the region. Besides this office, there is a division working for local development with two employees. The business administration office has recently been reorganized and is now moved to be physically located close to the top government levels in order to put business issues high on the local government's decision-making agenda. According to a respondent this has actually happened.

The Business Development Office cooperates in a partnership for growth between industry and the municipality. The partnership is developed in a Business Council with nine representatives of local businesses and three representatives of the municipality. Their mission is to facilitate and enhance the dialogue between the municipality, organizations and businesses. They work to extend and widen existing networks to take advantage of industry involvement.

There is a lack of an overall strong business and entrepreneurship network or business association, where the members are loyal to each other, support and help each other, among the businesses in the municipality, according to respondent B1. However, there are many small informal networks and clusters organized by industry, geography, gender or history. Respondent B1 argues that a common factor for successful municipalities is that they have a very strong network of businesses. A network like this would help the municipality to strive towards local development.

The head of the business development office works strategically with network building; with political groups, entrepreneurs, businesses and non-profit organizations. One reason for this is to build trust. According to respondent B2, not having a strong business network also creates a fragmented political image and stresses that it is a challenge to create a strong network that could act together with the municipality in order to develop the municipality. Both units have also worked with policies in order to support a development of networks of "cultural entrepreneurs," because they are closely linked to the tourism industry and this is important for local development", respondent B2 and B3 argue. A Swedish-Italian network with different types of members within the municipality is an example of cultural entrepreneurs, according to the respondents.

The managers at the business office as well as the employees at the development office strive to develop and supply businesses, associations and politicians with venues in which to meet and discuss common problems and solutions for local development. The municipality also strives to get the associations to arrange different big events such as national sports competitions supported by the municipality (e.g. sailing, rowing and bandy). This would support the municipality in destination development, respondent C stresses. The business office has arranged breakfast meetings with inspiring speakers.

There is no need for a digital network supported by the municipality, according to respondent B1. However, there is a need for physical meeting places at which a need for creating digital networks among different groups might be discussed. They have organized a study visit with business owners, politicians and the members of the Business Council to a city in Norway that in many ways has had similar problems. In this city there is a strong network which was created because they felt an

external threat. One respondent argues that there is either an external threat or an enthusiast, or a combination of both, that makes the creation of successful networks and development. This benchmarking was very successfully, according to respondent B1.

The local political government has politically shifted almost every four years for decades. According to all respondents, this political instability is one reason for the lack of coherent strategy and convergence in the municipality. The municipality lacks both short-term and long-term policy for entrepreneurship and business development, which causes a fragmented image of the municipality, explains respondent B1. There is also a lack of a clear updated internal structure for businesses (entrepreneurs) who want to communicate with the municipality. An entrepreneur who has decided to start a company with e.g. thirty employees and needs building permits in order to begin construction, contacts the municipality and is handled in the same process as a citizen who just needs to do a small change in their house. According to respondent B1, this does not seem to be a successful way to organize.

Collaboration between other municipalities for the purpose of regional development, for example in tourism, is necessary, according to respondent B1. Now the leading words in order to develop growth are: collaboration, trust and taking advantage of the real enthusiasts. As being discussed in the next section, the municipality has transferred the handling of tourism issues run by a company partly owned by municipality B and private firms within both the municipalities. The municipalities contribute financially to the operative activities of the company.

Also in municipality B, there is a special page on the municipal website for industry information and communication with important information about how to start a business and many links to useful external websites. There are no interactive e-services on the industry home page, except for a form that can be filled in at the web page, but has to be printed in order to be signed.

The municipality B has its own Facebook page and also uses other social media such as Instagram and Twitter.

They made a web survey, available only via Facebook, concerning the business owners, entrepreneurs and inhabitants' ideas about the strengths within the municipality and what can be developed in order to make the municipality more competitive. According to respondent B1, the answers gave an interesting picture and the responses came from a different audience than if they had done a survey not reached by the Internet.

The municipality plans, in the absence of an information channel to reach businesses and associations, to offer a web domain to the associations so that they could have their own website. It is important that the website is easy to use, claims a respondent. The site will be run by the associations and funded by advertising.

Today the financial situation has created problems for everyone running a business within the city claims respondent B1 and argues that generally, it is somewhat less difficult for business owners and traders who have embraced the new media channels.

#### **4.4.3 Tourism company**

In late 2007 both municipalities transferred the handling of tourism issues to a company partly owned by the two municipalities, and managed by a non-profit association for tourism development. The 220 members of the association are, except for the two municipalities, businesses operating in the hospitality industry and other stakeholders. The aim of the company is to create great member benefit to its members/owners by providing increased business and leisure tourism in the region, according to respondent T1.

The municipalities contribute financially to the operative activities of the company. Some consequences of this change have been that the strategic responsibility of tourism issues in the two municipalities became unclear, according to respondent A. The company operates two tourist offices, situated in the two main cities of the municipalities. Much of the communication among member business is done at meetings or by phone calls, but a lot of information is also communicated by e-mail or via the company website and the digital platform named Base Tool. The company website is marketing tourism as well as business activities and services of both municipalities. Much of the communication is managed using the Base Tool digital platform. Every member business has its own log-in identity and a special area of the digital registry, where they can put information about events or shopping, for example. The event information could then be linked from the platform to the home page, for example.

All member businesses are invited to market their events using Base Tool and then link the information to the company website. “Not all businesses are using this facility, but we could sometimes also help them to use the tool,” respondent A explained.

One of the employees is responsible for development of the website and external information and communication with the business members also uses social media, for example to market events. When the member business events are marketed or commented on the company Facebook page, the events are visible in the flow of all the other member pages. Thus it is simple to get in contact and comment on other members’ Facebook pages too, helping to also increase the communication and information flow between the companies. The use of Facebook could be further developed and explored, when sub-groups for different events are made, the respondent continues. The communication on Facebook is very relaxed compared with the earlier one-way communication using advertising in newspapers, for example, the respondent stresses. The communication has a more personal tone.

YouTube is another social media channel that recently has been used, and there are also plans to start using Twitter and blogs. Different follow-up of the social media activities are the number of “followers,” or use of Google Analytics describing different characteristics of the people who have visited the website, according to a respondent.

## **4.5 Analysis and discussion**

### **4.5.1 Supporting entrepreneurship and business development**

One of the main findings regarding how the municipalities support entrepreneurship and businesses with the perspective of creating local development is that they work to maintain and develop already established networks as well as work to create new strong local networks. It is supported by research that entrepreneurship is one important mechanism of cluster formation (Mayer, 2013) and the municipalities also work for having clusters of networks. These were argued to be key factors in both municipalities. It is supported by most of the research on clustering, which has contributed to describing the reasons why organizations and institutions join to better face competitive confrontations (Cesário & de Noronha Vaz, 2012). The municipalities does however not, utilize the full potential of the information technology in order to support digital networks (cf Castells, 1996).

In case A they had developed long-term strategies supporting entrepreneurship and regional development. In case B, however, there was a lack of either short- or long-term strategies, although they now were working on developing such policies. One reason highlighted for this lack of policies was the political instability that has prevailed for a long time. However, as both municipalities had developed policies in tourism in the respect of establishing a common tourism-company for local

and regional development, this may be seen as an example of a common long-term strategy in tourism (cf. Rader-Olsson, 2009).

Case B seemed to work more than case A towards creating more meeting places, (primary physical but also virtual), in order to strengthen local development. This is line with earlier research (Castells, 1996) that stresses one of the main characteristics of digital networks is that they offer increased possibilities for meeting places regardless of time and space. Digitally forms of interaction tend to simulate aspects of face-to-face interaction which implies that they represent not only alternatives to face-to-face interaction, but also extensions of the arena in which face-to-face interaction can take place (Hjarvard 2002). “Meeting-place” is here to be compared with “meeting-arena” that was one of the success parameters for regional development defined in earlier research (Swedish Agency for Economic and Regional Growth, 2011). It may however be argued that a meeting-place and a meeting-arena is not to be used interchangeably, although we here use the terms synonymously. To strive for increased possibilities for both physical and virtual network creation may also be referred to positively contribution of resource mobilization and the entrepreneurial spirit (Nijkamp 2003). Resources are here referred to both materials (physically) as well as resources of ideas (conceptual).

In case B they also worked more with competitive benchmarking. This seems to have strengthened the building of a strong network of entrepreneurs within the municipality as well as the long term relation between the municipality and the businesses. Benchmarking is here defined according to ReVelle (2004) who claims that it is about comparing how well or poorly an organization is doing with respect to the leading competition, especially with respect to critically important attributes, functions, or values associated with the organization’s services or products. In this case it was a comparing between two local municipalities in different regions.

#### **4.5.2 Support of entrepreneurship and local development using e-government**

The websites of Business Development Offices of both municipalities offer information for businesses such as information needed to establish a business, but no interactive e-services are found. The main website of municipality A offers some e-services, such as feedback and complaints from citizens, for example, but very few e-services are interactive. The municipality B, plans, in the absence of an information channel to reach businesses and associations, to offer a web domain to the associations so that they could have their own website. The site will be run by the associations and funded by advertising. This is supported by research that suggests that tourist networks may contribute to a better understanding of contemporary tourist destination marketing practice (von Friedrichs, 2009).

The tourism company website is mainly focused on information for tourists, not businesses. The tourism company has a tool however for integrating business communication towards tourism, by the use of the digital platform Base Tool. The digital platform is used for marketing of events by the businesses on the website of the tourism company. This co-operation among the municipalities and the tourism company could be extended in order to make the municipal information and communication more coherent and contribute to a more comprehensive picture from the business perspective. Such efforts are demanded by Persson (2011) for example, in a study focusing challenges for coherent e-Government and business development.

Another idea for the studied municipalities is to launch a common internal website (with login for the external businesses within the tourism field) facilitating the establishment of networks and communication among the businesses and municipalities. Social media could also be linked to such a website, and be delimited to the group of businesses, instead of being public to all visitors. The use of e-government for businesses aiming at local and regional development are however limited so far. The work is so far dominated by personal outreach programs. But this work could

probably be more efficient combined with e-government initiatives such as digital network facilities, new e-services and extension of social media activities.

The new e-Government platform of municipality A has great potential for development and launch of more e-services aimed at businesses, and facilitating municipal communication with the businesses aiming at more efficient communication and local development. In a future study we will also interview entrepreneurs and businesses within the municipalities, in order to integrate their perspective and needs for further e-government development as well. Because local development takes place in a regional context and may therefore be said to be a part of regional development, these results might be referred to earlier research and the above mentioned success parameters for sustainable development and competitive development on the regional level (Swedish Agency for Economic and Regional Growth, 2011). Although the aim of our study was not to study all these parameters and there is no obvious definition of the parameters, two of the nine parameters; meeting arenas and a long-term vision, have been identified as important aspects in both municipalities. However there were differences between the cases. Case B seemed to work more than case A towards creating more physical and virtual meeting places. Case A had since long time developed long-term strategies supporting entrepreneurship and regional development in contrast to case B in which there was a lack both short- and long-term strategies. On the other hand it can be argued that both cases had a long-term strategy when it comes to tourism development as they had established the common tourism company in order to support local and regional development. In the study a third parameter, a common value basis, may in one respect been identified as case A have had a political stability for a long time in contrast to case B.

## **4.6 Conclusions**

The intent of this study was to provide insights in how two municipalities, located in a region undergoing structural change, support entrepreneurship and business development from an e-government perspective aimed at local development. Based on theoretical discussions of entrepreneurship and e-government theories, the analyses of the case studies show variations in how they supported entrepreneurship. In case A they had developed long-term strategies supporting entrepreneurship and regional development. In case B, there was a lack of either short- or long-term strategies, although they were now working on developing such policies. One highlighted reason for this lack of policies was the political instability that has prevailed for a long time. On the other hand they both had strong focus on networks and clusters which is in line with results of previous research (Cesário & de Noronha Vaz, 2012) as well as working on the use of social media.

Research question two addressed how they used the potential of local e-government in order to support entrepreneurship and local development. The findings indicated that E-government services so far have an under-used potential for the studied municipalities and the tourism company in order to support efficient communication and information towards the entrepreneurs and businesses. Much of the communication so far, especially with new companies, is based on personal contacts and meetings. E-government could gradually complement these personal contacts with e-services and digital communication. Municipality A has recently launched a new e-government platform that has a great potential for the development of e-services aimed at companies. There is also potential for more cooperation between the Business Development units of the municipality and the tourism company, in order to integrate their e-government efforts and present a more coherent picture towards the entrepreneurs and businesses.

This study results show that creating both physical as well as virtual meeting arenas and work for a long-term vision, both defined in earlier research as important parameters in order to support sustainable and regional development, were found as important aspects in these cases.

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# 5. A Study of Small Enterprises with Focus on Entrepreneurship and E-government in a Regional Development Context

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## Abstract

*This chapter aims to describe and analyze a sample of small enterprises located in a region undergoing structural change with focus on entrepreneurship and e-government and is a further development of a previous study that focused on how municipalities supported entrepreneurship and destination development. In this study the focus is extended to include small enterprises contributing to development of tourist destinations within the same region. In-depth qualitative interviews were made with twelve managers from ten small enterprises.*

*Based on a theoretical discussion of entrepreneurship, e-government and regional development, the results indicate that networks and strategic networking were important for these small enterprises both in terms of developing the enterprise but also to develop entrepreneurship for regional development. The findings further indicate that municipal information, communication and competence development in order to support entrepreneurship and the development of small enterprises could be improved. The importance of face-to-face contacts was stressed. The use of local e-government was hitherto limited to e-services for public procurement. The entrepreneurs who used the e-services had mainly positive experiences, although despite the complexity of the e-services. The respondents did not ask for more municipal e-services, but that could be a consequence of their limited experience of the potential of local e-government. The use of social media among the enterprises was limited due to lack of time, competence and motivation for most of the enterprises, although the potential of social media for marketing was seen as extensive. A few of the respondents were on the other hand very skilled in their use of digital media, as a consequence of their professional knowledge and business orientation.*

**Keywords:** e-government, municipality, entrepreneurship, small enterprises, network, social media, destination and regional development

**Acknowledgements:** This chapter is partially supported by the project MARIFUS “*Maritime inlands – past, present and future strengths*” financed by European Union Regional Development Fund (Interreg IV A).

## 5.1 Introduction

Small and medium-sized enterprises (SMEs) play an important economic role in many industrialized countries (Smith, 1999; Thurik *et al.*, 2002) as in Sweden (e.g. Johansson, 2004), not least in regions challenged by declining economic activity and undergoing structural changes. Small enterprises belong to what Kirchhoff (1994) calls “the economic core”. Entrepreneurship and small enterprises are related although not synonymous concepts, but both play a vital role in economic development (Thurik *et al.*, 2002). Entrepreneurship and creativity are critical factors for industry growth in regions that are economically less privileged (Stephens *et al.*, 2013). The relationship between regions and entrepreneurs is intertwined, according to Feldman (2001) as regional characteristics provide opportunity and resources for entrepreneurs, while entrepreneurs simultaneously shape the local environment. Strategies and issues for local and economic development addressed by local governments have been identified as a key factor (Binns & Nel,

2002). Many governments are using ICT as a platform for communication with and providing services to citizens and businesses. This rapidly growing phenomenon is internationally labelled “e-government” (Heeks, 2006; Löfgren, 2007; Worrall, 2011; Rabiaiah and Vandijck, 2011; Meijer and Bannister, 2011; United Nations, 2012; Norris & Reddick, 2013). According to Osimo (2008) many European governments believe that ICT-enabled public services will have a considerable impact on e.g. economic growth.

Destination (defined as a place of tourist interest) development is considered to be one of the key issues in regional development (Svensson *et al.*, 2005). Local development takes place in a regional context and may therefore be said to be a part of regional development. It is argued however that local development is complex and intertwined with conceptions depending on what it is designed to achieve (Pike *et al.*, 2006). E.g. the emerging information society challenges relations not only between public agencies like municipalities and citizens but also small enterprises in many ways (Bernhard & Wihlborg, 2012). Many enterprises have extensive contacts with the municipality in connection with their operations. The physical conditions for local enterprise requirements are also an issue for municipalities to handle due to the fact that the municipalities have a planning monopoly on land use within municipalities. Thus, for example, all companies intending to build or renovate and thus in need of building permits, have to communicate with the municipality (Persson, 2011). A Swedish study focusing on coherent e-Government within the public sector within the field of business development stressed that a more business-friendly authority needs to facilitate co-ordination of matters to the enterprises (Persson, 2011). Further, a “drain-pipe” orientation in the handling of public matters must be replaced by a system-oriented approach with extended work roles for both the administrative officers and their clients, contributing to a more comprehensive picture of municipal services where for example information is made more congruent (Persson, 2011).

### **5.1.1 Background and aim**

In this chapter we focus on development aspects of e-government and local development for small enterprises located in a region where a major car manufacturing plant was recently closed. This problematic situation has contributed to a need for re-orientation of local development strategies for the municipalities in the region. Our pre-understanding is based on a recent study (Bernhard & Grundén, 2013) focusing on how the municipalities in this region supported entrepreneurship and small enterprises in order to promote local development. The findings indicated that e-government services so far have an under-used potential for the studied municipalities in order to support efficient communication and information towards entrepreneurs and businesses for the purpose of local and regional development.

This article is a further step towards the understanding of regional development. We argue that the local governance perspective on supporting small enterprises with particular focus on e-government is well suited for improving our understanding of the dynamics or lack of, in a certain region. In our previous study (Bernhard & Grundén, 2013) we found, for example, that the studied municipalities made efforts to create meeting places for entrepreneurs (primary physical but also virtual) in order to support network building and strengthen local and regional development. Meeting places were defined as one of nine success parameters for regional growth according to a Swedish study (Swedish Agency for Economic and Regional Growth, 2011). Digital arenas could offer increased possibilities for meetings regardless of time and space (Castells, 1996). In our previous study we found that the municipalities strived to maintain and develop already established networks as well as create strong new local networks (Bernhard & Grundén, 2013). The municipalities did not, however, utilize the full potential of information technology in order to support digital networks (cf. Castells, 1996).

The study presented and discussed in this article is based on new empirical studies with small enterprises located in the same region. The perspective of the small enterprises regarding municipal

support and development of entrepreneurship contributing to regional development is articulated and discussed. Thus the research questions are:

- How do the small enterprises clarify their experiences in order to develop entrepreneurship for regional development?
- How do the small enterprises articulate their view on how the municipalities support them in terms of local e-government?

In the next section we will present methods and materials. Then the contexts and concepts will be discussed. Findings follow in section four and analysis and discussion in section five. Finally, some conclusions are drawn and discussed.

## 5.2 Methods and material

In this study we have made qualitative interviews with ten small enterprises located in the same region in Sweden. The interviews were planned and analysed in accordance with Kvale (1996) who highlights seven steps of an interview study – thematising, designing, interviewing, transcribing, analysing, verifying and reporting – as these are important to bring up to achieve scientific quality. Our interviews were recorded before being transcribed. Each interview took about an hour. All interviews were conducted in autumn 2013. All interviews were made together by both authors. The analysis is made by qualitative content analysis and the authors have done this in two steps; first separately, after which the analysis was discussed together. Regarding some issues respondents have received follow-up questions in order to get further understanding. In comparison to quantitative studies, qualitative methods are an alternative way of looking at knowledge, meaning, reality and truth in the social sciences. Focus is on understanding important relationships in their specific context (Kvale, 1996). In some situations, the researcher may ask the respondents to formulate their own opinions and ideas about a particular phenomenon and then use this as a basis for the continued interview. This is in line with using qualitative interviews as they always include some degree of flexibility, and thus we used semi-structured interviews as format<sup>23</sup> – one of three main types of interview methods (Bryman, 2008:436). The respondent may also suggest other people to be interviewed and also indicate where additional information, e.g. regarding a particular matter can be found (Yin, 2009).

An interview is a conversation that has a structure and a purpose (Kvale, 1996; Kvale and Brinkmann, 2009). Through the interview, construction of knowledge and negotiation of meanings take place between two partners about a topic of mutual interest (Kvale, 1996). The questions have more of an open character, e.g. the interviewer can ask key actors both about facts as well as about their opinions regarding these facts (Yin, 2009).

### 5.2.1 Empirical data

Following the recommendation of the European Commission, SMEs are defined as businesses employing fewer than 250 people. Within this SME category, a small firm is commonly known as employing 11–49 people (Fletcher, 2004) although Swedish statistics define a firm without any employees as a sole proprietorship (Ekonomifakta, 2014) or a small firm (Johansson, 2004). Further within the SME category, a microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million (European Union, 2003). The Swedish business sector is made up almost entirely of small and medium-sized enterprises as 99.9 percent of the entire business portfolio is SMEs. Out of these 99.4 percent are Swedish enterprises with 0-49 employees (Ekonomifakta, 2014). In our study all ten

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<sup>23</sup> The questionnaires are available in Swedish from the authors

enterprises are defined as microenterprises (see Table 1) according to the EU definition as they have fewer than 11 employees (see Table 1). In this article however we will use the term “enterprise”.

**Table 1. Studied enterprises and their number of employees**

Enterprise	Number of employees
E1	7
E2	0 <sup>24</sup>
E3	3
E4	0 <sup>25</sup>
E5	1
E6	4
E7	5
E8	2
E9	1
E10	2

The public managers at the business office in each municipality were contacted and they selected a list of companies aiming at destination development within their municipality. When we started it was not our aim just to choose among microenterprises but during our selection process it appeared that these were the ones most interested in our study and in being interviewed. Two of the ten were chosen from the list of the managers. The remaining eight enterprises were selected from the list of members of the tourism company’s website. The tourism company is partly owned by the two municipalities and managed by a non-profit association for tourism development<sup>26</sup>. Ten qualitative semi-structured interviews were made with twelve owners or business partners of the microenterprises. The interviews were done in autumn 2013.

## 5.3 Context and contents

### 5.3.1 Entrepreneurship

Entrepreneurship has been regarded as a positive driving force for local economic activity and there is a great demand in the strategy of fostering regional development and growth by promoting entrepreneurship (Westlund *et al.*, 2013; Mayer and Knox, 2010; Birch, 1987; Acs & Armington, 2004). This is in terms e.g. of job creation and growth (Acs & Armington, 2004), and social and structural transformation (Berglund & Johansson, 2007; Feldman, 2001). The term “entrepreneurship” is considered to be multidimensional, although many of the general definitions of the term are centred on the creation or discovery of business opportunities (e.g. Acs and Audretsch, 2003), and the gathering of resources to exploit them (Westlund, 2011; 2012). The importance of entrepreneurs and entrepreneurship contributing to economic growth and development was stressed by Schumpeter already in 1934 (1934, 1942). Start-up of new enterprises, however, is by far the most widely used definition of entrepreneurship. When using the definition of entrepreneurship as merely the start-up of new firms, there is a great risk in missing important aspects of the term and how it emerges and develops (Westlund, 2011). Westlund suggests the broader definition of entrepreneurship as “the discovery, evaluation and exploitation of opportunities” (2011:215). This is the definition of the term used in this chapter. Networking is an important business activity for entrepreneurs (Bernhard & Karlsson, 2014) and it is argued that entrepreneurship is not merely an

<sup>24</sup> Firm without any employees is defined as a sole proprietorship (Ekonomifakta, 2014) or sole trader.

<sup>25</sup> Firm without any employees is defined as a sole proprietorship (Ekonomifakta, 2014) or sole trader.

<sup>26</sup> For more information; see Bernhard & Grundén, 2013.

economic process but draws from the social, spatial and institutional contexts that shape entrepreneurial behaviours, processes and outcomes (Welter, 2011). Given that entrepreneurship is context dependent, it is likely that entrepreneurship unfolds differently in different settings and does not flourish evenly across regions. Thus the local business environment, e.g. networking and various forms of municipal support such as through ICT, may play an important role for entrepreneurs such as the local microenterprises. This is the focus of this study.

### 5.3.2 E-government and social media

The use of ICT to provide e-services on the Internet is a basic component of e-government. According to the Swedish action plan for e-Government 2008 e-government is defined as “public business development that takes advantage of information and communication technology combined with organizational changes and new competencies” (Regeringskansliet, 2008:4). The use of ICT within and by governmental organisations is combined in the concept of e-government (Taylor & Lips, 2008; 2010; Bernhard, 2014). The development of e-government is formative. For example, social media, new technological applications and changes in administrative practices continuously re-construct usage, meanings and practices (Fountain, 2001; Jansson, 2011).

In a new strategy for e-Government 2012 (Regeringskansliet, 2012) the role of e-Government as contributing to increased innovation and more co-operation among private and public actors in order to develop e-services and increase public efficiency, simplicity and transparency is stressed. Public internal information will be more externally available with open data and open source solutions, contributing to better co-operation with private actors, and to support of entrepreneurial initiatives and national development as well as better e-services for businesses.

According to a study by Nutek and Verva (2007) many public e-services have been developed for businesses in Sweden at local, regional and national levels. Swedish businesses use these e-services to a relatively great extent. There is however a discrepancy between the offering of public e-services and actual use. Simplicity, time and cost savings related to the use of e-services are seen as the most important aspects for the businesses. E-services developed by public authorities were used most compared with municipal e-services for example. Of the businesses in the study 65% had not used any municipal e-service yet (ibid.). Common municipal e-services include downloading brochures and information, online reporting of problems with electricity, water supply and roads, applications for permits, e-invoices and e-procurement. However in Swedish case studies of two municipalities the result indicates that e-government has a potential to plan for, and promote, sustainability and slow local development (Bernhard & Wihlborg, 2014).

Social media is being used more and more in private life, in private organizations as a marketing tool, and also by municipalities (Bonsón *et al.*, 2011; Klang & Nolin, 2012; Magro, 2012) as a way to communicate with citizens and enterprises. Using Heek's (2006:1) definition of e-government (“all use of information technology in the public sector”), social media could easily be defined as part of e-government. The use of social media has revolutionized our social contacts and has quickly become very popular both for private use, and as a professional communication tool used by opinion leaders and entrepreneurs, for example. The use of social media enables digital contacts with large social networks that can enrich both individual and social life, and also serve as an important tool for marketing activities for a business. With the use of social media we generally mean the use of “web services where you can converse, read and share information, establish contacts for example.” (Carlsson, 2010, p. 10). Social media marketing is known as “word-of-mouth marketing”, and is the intentional marketing influencing consumer-to-consumer communications by professional marketing techniques. Word-of-mouth is originally defined as “informal communication among consumers about products and services” (Liu, 2010), but has now become “online word-of-mouth” (Hennig-Thurau, Gwinner, Walsh & Gremler, 2004). Some researchers have even argued that word-of-mouth

has the most influence on consumers of any aspect before they make a purchase (Day, 1971; Katz & Lazarsfeldt 1955). Traditional marketing is based on one-to-many communication where the producer is the sender and the customer is the receiver (push communication). This traditional paradigm is more and more being replaced by the pull communication paradigm based on one-to-one communication and informal relationship between the marketer and the buyer (Ström, 2010). The communication gives the marketers knowledge about the customers' preferences and values, for example, and the influence can be more subtle than before. The communication is more about building relationships than selling products. Trust is an important aspect of good relationships. The ethics and values that are expressed in the communication become important aspects of the quality of the relationship. The roles of marketers and buyers are thus fundamentally changing (Brown, 2009).

Previous research has also indicated that management often experiences substantial uncertainty regarding the use of social media and uses it in inconsistent ways (e.g. Burton & Soboleva, 2011). Recent research in the use of social media by local authorities in England indicates, for example, that the full potential of social media is not used (Ellison & Hardey, 2014). Social media was currently used simply to "push" information about local services to inhabitants, instead of taking care of the learning potential of the inhabitants' needs and preferences.

### **5.3.3 The role of networks and networking for small enterprises**

The concept of a network is an example of a term that is interpreted, defined and used differently in different academic disciplines and there are many definitions of the term (Ehn, 2001). Some disciplines see the network as only horizontal, while others argue that all organizational structures are indeed a type of network, including vertical organizations (Westlund, 1999). For example, the analyses in the business literature describe various types of the verb "networking", such as subcontracting, entrepreneurial networking, and network management or governance (Kilkenny & Fuller-Love, 2014). A description, according to Ehn (2001), of what usually characterizes a network is that the networks either can be spontaneously or consciously created. They are characterized by the lack of a formal cohesive structure between those who are interacting, which is perhaps the most important difference compared with traditional organizations. Without a formal unifying structure they are tied together through networks of interdependency. Further, networks are considered non-hierarchies with mutually dependent actors and usually an open exit from a network. Actors participating in networks have to exchange resources and negotiate shared purposes (Ehn, 2001). The networks, according to this definition, are based on voluntary participation and a minimum of formal regulations. It is argued however that strategic network organizations have clear boundaries defining the firms that are recognized as network members although the firms within these networks remain independent (Wincent *et al.*, 2014).

As mentioned above literature recognizes that networking is vital for firm performance and an important business activity for entrepreneurs (Lechner & Dowling, 2003; Cesário & Noronha Vaz, 2012; Bernhard & Karlsson, 2014; Bernhard & Grundén, 2014) and enterprises of all sizes are joining international networks (Dana, 2001). Research claim that entrepreneurial spirit often is influenced by physical and virtual networks (Florida, 1995; Nijkamp, 2003) and networks are important to business because exposure to a range of new contacts within these networks results in an increased capacity to access new resources (Huggins, 2009). Research claims that small and medium-sized enterprises, because of their limited resources, are linked to different networks in order to obtain the information they need to develop their strategy. Networks keep them up-to-date with changes in the economy (Julien *et al.*, 2004). However, according to Cesário and Noronha Vaz (2012) not all SMEs have the ability to develop international contacts. Castells (1996) argues that all organizations work in a networking structure and labels the current era as a "network society". However, in our search for earlier research, there is not much research on the differences between

fact-to-face and computer-mediated network communication for small and medium-sized enterprises. A related study on the work of teams and groups regarding the differences between computer-mediated and face-to-face communication suggests that it is not clear whether face to-face communication necessarily is superior to computer-mediated communication for many collaborative processes (Rhoads, 2010).

## 5.4 Findings

### 5.4.1 Municipal support of enterprises in the perspective of regional development

#### *The role of networks*

Almost all (nine of ten) enterprises were members of business networks albeit different kind of networks and different number of networks (see Table 2). Half of the enterprises have chosen the networks they are participating in strategically in order to receive the best value for developing their business.

**Table 2. Membership in networks in relation to the enterprises**

Microenterprise	Face-to-face network	Computer-based (digital) network
E1	2	1
E2	0	1
E3	Several	0
E4	0	
E5	Several	1
E6	A few	0
E7	Several	2
E8	Several	1
E9	Several	1
E10	3	1

To be a member of one or more networks was considered valuable or very valuable for most of the enterprises especially in terms of developing their enterprises, except for two of the enterprises. At one of these the respondents stressed that as a member of a network you have to adapt your work to fit in within the network and also you have to collaborate within the network. This is not a successful way of developing your enterprise or the intention to develop a certain destination, one of the respondents claimed. These two enterprises were not members of any formal network except that one of these was a member of a Web-based network.

One respondent stressed the value of using different networks in order to develop the enterprise and for regional development. The respondent argued that except for learning and receiving contacts in e.g. business networks and marketing networks, one network consisting of microenterprises located close to each other in one building was very fruitful in terms of development. This was because it was easy to meet and share good relations and experiences. The respondent stressed that although on the one hand it is important for local and regional destination development that enterprises employ more people, on the other hand all these small microenterprises within a certain network who actually provide jobs to each other should not be underestimated.

And it may not be noticed that I write three articles, then I can send an invoice to an enterprise in the network for X thousand crowns that will be my salary and it does not look like anything has been done for no one has been hired anywhere, but we generate jobs and we might be able to start some small musical events or festival....  
(Respondent E9)

A disadvantage which was highlighted by six of the nine enterprises that joined networks was that it takes a lot of time to participate in networks. This is something that is especially hard for microenterprises, they argued. It was further argued that it was important to strategically choose the best kind of network in order to get the best value for the development of the enterprise and for development of the destination.

Several of the respondents argued that the local marketing network was very valuable. Within this network there was one meeting per month and seven months a year, which was

“...not particularly burdensome and it gives a lot...the learning. There is always a guest speaker, you need to add knowledge and skills and inspiration, giving and listening ties together and connects people and ideas. But also contacts, you meet a lot of people and you get to know each other and it's fun. And it may also bring in business... (Respondent E9).

Another respondent mentioned that if the local municipality was running this marketing network instead of the local business, the network would not be regarded as strong as it is as it's not quite the same penetrating power if the municipality were to run or operate the network. The municipality could, however, be a part of the network and provide information that is relevant to smaller enterprises as well as provide skills development for the employees in microenterprises (E 10). In order for a microenterprise to develop there is a need for structured competence development for the employees. It is however very important to find appropriate methods for this, respondents argue.

Because that is the lifeblood for us to continuously develop, I mean, we read a lot and such...., and we talk a lot, giving advice to each other in the network and so on, but there is no structured skill development (Respondent E10).

One suggested method was that the municipality could offer training courses that contributed to the development of the enterprises, spread over a longer time period to give the employees enough of time to participate. It is also important at what time of the year these courses will take place in order for the employees of the microenterprises to be able to participate.

One disadvantage highlighted by one respondent was that it was too expensive to join some business networks such as the regional Chamber of Commerce. On the other hand another respondent stressed that this network was very valuable due to their very “strong” guest speakers, often from the bigger companies. These network meetings offer valuable knowledge, inspiration and a meeting arena, the respondent argued.

Another respondent who was a member of several strategically chosen networks stressed that it was important to be a member of a formal strategic business network in the form of an economic association in order to obtain public procurement.

When we were applying for public procurement we needed to express different issues..., and that we have a network which is an economic association; we have statutes, we have a code of ethics, we have codes of conduct, we are structured. And this has helped us very much, otherwise we never would have obtained these rather large procurements that we have (Respondent E10).

This formal network consists of seven small microenterprises with a total of ten members within the same business field but with different specialties that complement each other. This formalized network can be compared with working in one common enterprise. They market their business through a jointly owned website. When they receive a job they check which members of the network have enough time, who fits this job, and so on, and with these results they then form suitable working groups. Sometimes it may be just one person in a working group. *“In addition to this formalized network, participating in a network also provides learning, inspiration, an arena to show others that you exist and contacts”*, respondent E10 explains.

Another respondent is a member of a similar formal business network although not an economic association. It is a business network consisting of self-employed persons within the same business

category. The respondent argues that this network has been very useful for the development of businesses. However the respondent argues that as there are very many networks and it takes time to participate, it is important to choose the right strategic network given the company's activities. Maybe it would be possible to merge some networks. The formal business network of self-employed workers with expertise related to their industry and a local business-marketing network for business development (their breakfast meetings) are two of the most useful networks. The second one creates learning, new contacts, meeting arenas where you can show your own enterprise, and it creates new business opportunities.

The respondent stressed that the formal business network encompassed all competences and skills he needed for doing business. The respondent then did not need to employ more people although they provided jobs to each other within this network.

Okay, we could have employed instead maybe, say four, but these four have a certain competence, and now instead maybe I have ten involved with cutting-edge expertise. And at the same time you do not need to fill their time 100%.... (Respondent at E8)

The respondent underlined the importance of trust, confidence and solidarity between the members within this network. Trust and solidarity play an important role in contributing to the sustainability and longevity (long-term planning) for the business within the network, the respondent stresses. Four respondents are members of a newly formed business network called "Growth Meeting" by one of the municipalities. All of them were positive about attending these network meetings although there had not been many yet. This network will generate cohesiveness, one respondent argues. Even if it is time-consuming it is also a driving force when it comes to role models to participate in networks. They give you input, energy and competence development, one respondent argues (E3). However, one of the respondents argued that the driving force was not to network but instead competition among enterprises is the phenomenon that develops an enterprise most fruitfully (E1). One respondent stressed that even if the establishment of this business network was a good initiative there was a need for much more support from the municipality:

It could be much, much more. So that's probably something that the municipality has to continue to work harder on in order to get more enterprises to join. But then you have the problem with the small enterprises also where a lot of sitting in that situation that they have to prioritize as they have lack of time and they ask themselves: What does this network give me? (Respondent E1)

One respondent, who is involved in many networks including one digital network, has long experience in building up networks and considers networks very important for business development, in particular interacting and collaborating within the network:

Without a network we probably never would have started up our enterprises that we have done today... I work a lot with the network; I strongly believe in networking, I strongly believe in a participatory manner in order to achieve a good result, strength lies in collaboration. (Respondent E5)

The respondent argues that the local tourism organization is an example of a network and this network is a great resource for the enterprise. Even though the respondent is a member of many networks he limits his participation and chooses strategically which networks to join. Each specific network has to benefit business development, the respondent argues. Another respondent who claims that networks and networking are extremely important for business development also stresses that it is an important arena for enterprises to find ways to communicate with each other. It is important that the municipality join these networks as the enterprises then can also communicate with them.

Although the respondent argued that the physical meetings are the most important, this enterprise will shortly launch its own built system for virtual network, in which it should be possible to view the other person (digitally face-to-face) on the computer as a complement. This innovation was established because they strongly believed that networking is a fruitful way to communicate with

each other in various types of companies and this was a complementary way to communicate within a network.

I think that the physical meeting with the person perhaps is the most important but certainly one can supplement it to make a system where you also have it online too... I'm in a marketing network and we will launch in just a few weeks, a system where you actually are networking even online, we have made it so that you can actually see the person on the picture and see exactly which company the person works at, and so on, so we have taken the network and put it online and you can develop your enterprise through it. (Respondent E7).

Several respondents argued that although the digital networks are good it is at the face-to-face network meetings you can establish contacts for future business in the easiest way. The physical meeting forms the basis for the network.

#### *Competence development support*

It was suggested that in order to promote the development of small enterprises the municipality should support the enterprises by arranging for egalitarian meetings. "Egalitarian meetings are great, to go there freely, without having to perform something", a respondent claims. The respondent stresses that undemanding meetings are very good and argue that this was the way a fruitful business network of which their microenterprise is a member started:

I think one thing that is hard for us small enterprises owners, is to have time for our own development..." (One of the respondents at E10)

Another respondent argued in a similar way that because of their limited resources it is especially important for the municipality to engage with small enterprises. They would need support in the form of getting new knowledge, competence development, making contacts, etc. from the municipality. For small enterprises to develop it is vital that they receive competence development for their employees. Small enterprises are important for local development, especially important for regions undergoing structural change, the respondent argued.

#### **5.4.2 The use of municipal e-services**

The use of municipal e-services was so far limited to municipal procurement by the interviewed enterprises. Only about half of the interviewed enterprises had experience in using the municipal e-service for procurement. Most of those respondents were satisfied with the e-service but some stressed that the e-service was too complex and time-consuming because of all the questions about environmental aspects, for example. It was therefore difficult for small businesses to have enough time to participate in municipal procurement:

Last time we wrote a procurement to the municipality, we submitted it digitally using their e-service for procurement. A few years ago when we submitted a similar procurement to the municipality the procedures were paper-based. This is incredibly more flexible, but the instructions for the use of the e-service are not very self-explanatory, and we do not work with procurements very often...Last time was one year ago, so it was trial and error, but finally I solved it. It was late in the evening, so there was no support number to call. You have to work with this in your leisure time (One of the respondents at E10).

It is very demanding for a small company to make a procurement, especially all the environmental aspects that have to be described...You have to work 80-100 hours on a procurement (Respondent E7).

It was usual to hire a consultant for this work:

It was not a very easy task to work with a procurement, so I hired a consultant who used the municipal e-service for procurements...and that worked very well (Respondent E1).

The enterprises that succeeded in the procurement process seemed to be satisfied with the further digital contacts regarding the procurement with the municipality. The different jobs were then received by email and when the jobs are finished e-invoices are used. The respondents did not ask for more e-services from the municipality, but this fact could be a consequence of their so far limited experience of the potential of e-government.

### *Use of social media*

All of the studied enterprises have a website. One of the respondents stressed, however, that they were not satisfied with the design, and the website could be further developed:

We have a website, but it is not good... But we do not want to spend too much time on it (Respondent E4).

Time and competence seem to be limiting aspects for the continuous development of websites of the enterprises. The use of social media for marketing is usually linked to the enterprise's website. The use of social media in the studied organizations could be related either to social media marketing, or internal use of social media for social network contacts, for example. All respondents stress that personal contact is most important as a basis for communication, but it could be extended by Web-based contacts. Web-based contacts could reduce travel and meeting time, for example. Some of the respondents mention that it is easier for the younger generation to communicate with social media, as they are more used to it.

Social media was used to a limited extent by most of the respondents, although most of them stressed that they were aware of the importance of using social media for marketing. One of the respondents expressed some ideas about how to integrate and use ICT and social media in the organization (although there were no employees that either had competence or time to work with it now):

Each of us should have an iPad for the use of order procedures, for example. You could also take a lot of digital pictures during the work, and publish them immediately on Facebook or Instagram, to allow the customers to continuously share in our work (Respondent E3).

The use of social media seems closely related to motivation, competence and time of the respondents. As most of the interviewed companies are very small, they have limited resources for competence development and time in their work to focus on social media:

There is no time for that (use of social media) (Respondent E6)

Some of the respondents that were not very interested in using social media, stressed the importance of face-to-face and phone contacts, but also email contacts:

"I think Facebook is overrated...I prefer to work "live"... Personal contacts are best, and then come phone contacts when you talk to each other. I think that is an amazing invention... Then comes email contacts (Respondent E8).

The respondent also stress that email is used mainly for transfer of information, not for negotiations or discussions of different solutions. Some of the respondents mention consequences of the change from paper (newspapers, for example) to digital information (newspaper websites, news sites). Some advantages are for example increased possibilities to distribute a newspaper to different geographical locations. New technical devices such as iPads also make it easier and more comfortable to read the information on the screen, as they are thinner, lighter and more flexible.

In two of the studied enterprises they seemed to be very skilled in using social media and Web-based services, due to their business field and competence. One of those companies working in the health sector was developing Web-based services, for example, such as apps for training as well as for coaching and competitions. Their financial system is also used for the selection of different target groups among their customers, allowing special offers and news to be sent via email to selected groups. But the respondent stresses that email does not work very well among younger people any more: "*Younger people have no email addresses, they use Facebook*" (Respondent E1).

In another enterprise they have discussed developing digital platforms for customers booking activities, for example: "*The customers' interest in digital booking has increased*" (Respondent E5). But the respondent also stresses that the personnel is more important than technology in this branch: "*If you*

*do not have personnel with good meeting behaviour and customer-facing skills, then we could just shut down our business”.*

One respondent recommends the development of goals and strategy for the use of social media for marketing, and setting aside enough time to work with social media and then integrate the work tasks into the job descriptions: “*As an enterprise you must have a goal and strategy for your activities, otherwise you will not reach the goals*” (Respondent E7).

Most of the respondents think that the use of social media and other Web-based services has great development potential in order to increase business values, both for marketing and network activities. It is easier to produce and distribute a digital newspaper compared with traditional paper newspapers, for example, a fact that already has contributed to a certain crisis for the paper industry and a re-structuring of that business field. Web-based e-learning courses could also be a way of competence development that saves time for the learners.

## **5.5 Analysis and discussion**

### **5.5.1 How do the small enterprises clarify their experiences in order to develop entrepreneurship for regional development?**

#### *Networks and networking*

The results from this study indicate that being a member of networks and networking are valuable both in terms of developing the enterprise (access to new resources, contacts, interaction and collaboration) but also to develop entrepreneurship for regional development, although one of the enterprises had the opposite opinion as you have to collaborate and adapt your work to fit in within the network. This is in line with earlier research, e.g. Lechner & Dowling (2003), Higgins (2009) and Bernhard & Karlsson, (2014). However what is not often stressed in earlier research is the importance for microenterprises to strategically choose which networks to join in order to receive the best value creation for developing their businesses as well as for destination development. For example, formal strategic business networks consisting of microenterprises located close to each other in one building were very fruitful and contributed to development. This is because it was easy to meet and share good relations and experiences. These formal business networks encompassed all competences and skills needed for doing business. The respondent did not then need to employ more people although they provided jobs to each other within these networks. All these networking microenterprises who actually provided jobs to each other was something that should not be underestimated in terms of local and regional development, it was argued. Another reason for being a member of a formal strategic network was that it was easier to obtain public procurement, which was seen as very important for business development.

The respondents underlined the importance of trust, confidence and solidarity between the members within this network. Trust and solidarity play an important role in contributing to the sustainability and longevity (long-term planning) for the business within the network, it was argued. Networking also generated role models and cohesiveness. This is to be referred to earlier research claiming that entrepreneurship is not merely an economic process but draws from the social, spatial and institutional contexts that shape entrepreneurial behaviours, processes and outcomes (Welter, 2011).

Several respondents argue that although the digital networks are good it is at the face-to-face network meetings where you can most easily establish contacts for future business. The physical meeting forms the basis for the network. Therefore the initiative from one of the municipalities to start a business network in the form of a growth meeting network was something positive. This may be compared with creating a meeting arena or meeting place which was defined as one of nine success parameters for regional growth according to a Swedish study (Swedish Agency for Economic

and Regional Growth, 2011). The innovative digital network that one enterprise had built and was about to launch as a complement to the real-life network may be seen as an example of a digital arena (cf. Castells, 1996) or network, in which it should be possible to have face-to-face contact digitally.

A disadvantage which was highlighted was that it takes a lot of time to participate in networks. This is something that was especially hard for microenterprises. It was stressed by some of the enterprises that there was a need for support from the municipality in the form of information on what is going on regarding business development and information that keeps them up-to-date with the economy (cf. Julien *et al.*, 2004). This support may be especially important for regions undergoing structural change.

#### *Competence development support*

The results further indicate that competence development support from the municipality was important. The reasons for this is that small enterprises have limited resources, and therefore support in the form of structured competence development which generated new knowledge that contributed to the development of the enterprises was important. It was also important to find appropriate methods and suitable times during the year for this support to be offered. Further it was suggested that in order to promote the development of small enterprises the municipality should support the enterprises by arranging egalitarian meetings.

#### *Social media marketing*

Most respondents had limited experience in the use of social media, although they stressed the importance of digital development for marketing, for example. A few of the studied enterprises on the other hand were very experienced in the use of digital media as a consequence of their competence and business orientation. The adoption of social media seemed to be related to the organizational context and staff competence level, which also was the result of a study by Durkin *et al.* (2013). Most enterprises in our study did not seem to have formulated goals or strategies for the use of social media marketing, and they were not aware of what value the use of social media actually contributed. The adoption behaviour of the SMEs in the study by Durkin *et al.* (2013) was not driven by a purposeful or thoughtful agenda either through which value could be added to the customer experience. Lagrosen and Grundén (2014) found similar results in a study of social media use for marketing in some SME:s in the wellness sector. There seems also to be a lack of follow-up activities of social media marketing activities, for example to use metrics in order to assess the efficiency aspects (*ibid.*; Michaelidou *et al.*, 2011).

Most of the respondents in our study stressed the importance of personal contacts, but the use of social media seemed to be more and more frequent. Different communication channels could be relevant for different kinds of communication. One respondent (E8) stressed for example that email is used mainly for the exchange of information, but face-to-face contacts and phone calls are more important for the discussion of important issues. Small enterprises probably work in a more informal way compared with big enterprises. Personal contacts seem to be very important for small enterprises, and therefore they put more effort into those contacts, so far.

Since this study is a smaller study, and most studies of social media utilization hitherto is dominated by the studies of large-scale enterprises (Zeller & Schauer, 2011) there is a need for further studies with similar focus, in order to understand the use and potential of social media for small enterprises. Social media could for example, provide an efficient means of encouraging and supporting team members working together, i.e., performing collaborative tasks within teams (*ibid.*). Social media provide an efficient means of encouraging and supporting team members working together on shared objects, i.e., performing collaborative tasks within these teams and could thus probably be

efficient for promoting different kinds of business networks and e-government related network, as well as the traditional focus on social media marketing towards the customers.

### **5.5.2 How do the small enterprises articulate their view on how the municipalities support them regarding local e-government?**

The only municipal e-service for businesses so far is the e-service for public procurement. The rules and regulations for public procurement aim to afford suppliers the opportunity to compete on equal terms for each public procurement. The purpose of the procurement rules is to ensure that contracting authorities, such as local governments and county councils, use public funds to finance public purchases in the best possible way by seeking out and taking advantage of competition in the relevant market in order to get a good deal (Swedish Competition Authority, 2012:3). About half of the studied enterprises had experience using it. They were mainly satisfied with the design of the e-service although some stressed that the e-service was too complex and time-consuming. This may be compared to the abovementioned result by Nutek and Verva (2007) which states that Swedish businesses use e-services to a relatively great extent although there is a discrepancy between the offering of public e-services and actual use. The enterprises in this study did not ask for more municipal e-services, but that could be a consequence of their limited experience of the potential of local e-government. Bigger municipalities in Sweden usually have more developed e-services for businesses such as e-services for application for licenses (such as cafeteria permissions, reporting holdings of refrigerants or applying for a commercial parking business) (Stockholms kommun, 2014). The respondents stressed, however, that the municipality could support them in their need for competence development, and to establish relevant networks for business contacts.

Successful local e-government requires engagement of all local stakeholders. A prerequisite for that engagement is a shared understanding of interests, perspectives, value dimensions, and benefits sought from e-government by the various stakeholder roles (Rowley, 2011). It is thus a further challenge for local e-government to identify different stakeholder groups, also among local businesses, and to have a dialogue with them in order to identify their needs, and how the needs could be fulfilled by local e-government services in order to promote local and regional development.

## **5.6 Conclusions**

The use of local e-government until now has been limited to e-services for public procurement. The respondents who had used the e-service mainly thought it was a good e-service, although very complex. They did not ask for more municipal e-services, but that could be a consequence of their limited experience of the potential of local e-government. The enterprises indicate that municipal support was important for small enterprises. The findings further indicate that municipal information and communication in order to support the development of small enterprises could be improved. The use of social media among the enterprises was limited due to lack of time, competence, and motivation for most of the enterprises, although the potential of social media for marketing was seen as extensive. A few of the respondents on the other hand were very skilled in their use of digital media, as a consequence of their professional knowledge and business orientation. The study does not show a complete answer on how the small enterprises clarify their experiences in order to develop entrepreneurship for regional development. However results indicate that networks and networking are valuable both in terms of developing the enterprise but also to develop entrepreneurship for regional development. Results from the previous study (Bernhard & Grundén, 2013) indicated that the studied municipalities had strong focus on networks and clusters as well as working on the use of social media. Thus the intentions of the entrepreneurs as well as the municipalities are both aimed toward regional development. The previous study also indicated that e-government services so far had an under-used potential for the studied municipalities and the tourism company in order to support efficient communication and information to entrepreneurs and

businesses. However, the entrepreneurs did not ask for more e-government in the form of e-services. A reason for this may be that they were not aware of the potential of e-government for their business development.

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## 6. *Becoming* an Innovative Tourism Destination

# Theoretical Concepts for Sustainable Growth in the Tourism Industry

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### Abstract

*This chapter is investigating some concepts that can be used to address the issue of economic growth in the tourism industry. The goal for this work that I promote in the article is to make destinations both prosperous, sustainable, entrepreneurs friendly, and engage as many people in the process as possible. The take on the issue is strictly theoretical, and the aim for the chapter is to develop concepts to think with, that can be used also outside of academia.*

**Keywords:** destination development, co-production of knowledge, entrepreneurship, economic growth, sustainability, and innovation.

**Acknowledgements:** This chapter is partially supported by the project MARIFUS “*Maritime Inlands – past, present and future strengths*” (Marifus) financed by European Union Regional Development Fund (Interreg IV A).

### 6.1 Introduction

The main focus in this chapter is the question: How to think to make a tourist destination prosperous, innovative and sustainable? This question is part of my work in the EU-funded, inter-regional project, Marifus, where I contribute to the overall project with theories and methods from Cultural studies, which is my area of expertise. Focus in the project is destination development and the destination that I am focusing on in this chapter is Trollhättan and Vänersborg, which is two smaller cities in close proximity of each other located in the south west of Sweden, and the canals, locks and waterways and an also an old industrial area which has been preserved close to the city centres. The challenge is to develop these areas without destroying the genuine character of the place and make them attractive without scaring away the people that live there and use the places for recreation today.

In this chapter I am trying to briefly sketch out some guidelines for a new mindset that can be used to promote innovation and economic growth in the tourism industry as a whole. The chapter is theoretical, and the aim is to start conversations about some analytical tools that can be used by *many* different stakeholders, both inside and outside of academia. This is an important remark because I am going to argue that knowledge needs to be spread more in society for to make it sustainable.

A successful and prosperous tourist destination has to be built on what is there in the first place, and to make it sustainable the work has to be done in accordance with some kind of common vision among the local residents. Even if this is easy to say but very difficult to implement in a society, I argue that this is what must be accomplished. In many ways it is an impossible mission, but why should we let difficulties like that stop us from *trying*? Let's start the work and we'll see how far we get. The alternative is to give up, and then we know for sure what is happening: Nothing! This is an important epistemological remark grounded in the theoretical work of the French philosopher Gilles Deleuze and his co-writer Félix Guattari, that will be presented more and who's thoughts will be developed further later on in the chapter.

To develop this collective approach an understanding of culture that emphasizes it as an open ended process is needed. Movement and change is what both researchers and people in everyday life are dealing with when they try to understand culture, work with innovations or struggle to achieve sustainability. These things or aspects cannot be regarded as well-defined questions that can be solved once and for all. Because the world; culture, society, people and matter, technology, money and knowledge, is in a constant, intermingling process of joint becoming. This is at least what I argue here in this chapter. Culture is considered as a kind of mutable structure, characterized by collective continuous co-creation; a kind of organizing principle. Culture is more than anything the result of *interactions* between different kinds of actors, and actants, because not only humans can be said to act and make a difference in a given context. A sustainable and economically viable destination can only be built from below, together with the people that live their life in the location that is to be developed. Without a sensitive and deep understanding of the history, the present and the local's visions of the future, any developing project is bound to be short lived. To make this happen I will connect my theoretical influences with the philosophy of Work Integrated Learning (WIL) that is developed at University West in Trollhättan, Sweden, and that I as a researcher am deeply engaged in.

## 6.2 Culture

Culture is everywhere and affects everything, but it is nothing in itself, and can therefore only be examined indirectly, through the effect it has on us and on/in everyday life. Culture is basically change and complexity. This is important to understand if one wants to work with destination development, not least because it is an aspect that is often forgotten. Hidden stories and spontaneous thoughts are examples of often neglected cultural imprints that have to be taken in to consideration if one wants to understand culture and everyday life in society. This chapter is, as I said, theoretical, but theory is meaningless if it is not related to some kind of empirical examples. I just have to emphasize that the data presented below is samples to think with, more than anything else. I am not trying to prove anything with it.

Together with the local newspaper TTELA I tried to collect thoughts and stories about Trollhättan and Vänersborg. During the spring of 2013 a petition was sent out in the area that both contained information about the project and announced that I was interested in people's thoughts and stories about their respective hometown. The newspaper reaches about 40000 people, and the request resulted in two stories from people in the area. It is an understatement to say that I had hoped for a greater response.

After the summer a new petition was published in TTELA, which also announced that the response had been poor in the first call for stories. The result this time was nil. I have given this poor result a lot of thought, but have come to the conclusion that there is not one definitive answer that can explain the outcome. Culture is peculiar in that way. The research never comes up with any definite answers, because there isn't any available. Cultural study is a science of something that by its nature is vague. Culture is everywhere, and nowhere at the same time. Culture resides in-between. Therefore culture can only be approached indirectly, through more or less corroborated interpretations.

Ideas and empirical data for interpretations of the cultural setting of Trollhättan and Vänersborg can be acquired in many different ways. In open discussion forums on Facebook for example. There at least I found something that I regard as a plausible explanation for the lack of stories when someone in a discussion thread declared that s/he would not give me any story, "for it would surely be exploited by politicians to merge Trollhättan and Vänersborg in to one city." This I know is something that worries many people in the area and the quarrels between the cities is not a new phenomenon. The quotation from Facebook is maybe a sign of an underlying anxiety that can

explain my difficulty of collecting stories. But the poor result can of course as well be explained by people's lack of time, or that they are unaccustomed to write a text like that and send it to a newspaper, disinterest in the question, or difficulty in seeing the benefits of collecting stories. There are a number of reasons not to share ones story. But as I see it there is no need for that kind of understanding to continue the research. To understand culture I don't need stories, and even an untold story is a kind of story that contains a lot of information.

Dissonance between Trollhättan and Vänersborg is a well-known and widespread phenomenon that has roots far back in time. On Facebook the discussions that followed my appeals, which I put out there to, almost exclusively came to evolve around the border between the cities. If it really existed, how crisp and vivid it was and where it is exactly. Perhaps this border is something that can be built on when developing the destination? It is something that at least has a deep and unique connection to the area and its history. Differences do not need to be a problem, it can instead often be turned into a benefit.

Tourists are people who come from the outside, to spend money. It is hard to make people come exclusively to this destination but the distance to the coastal area of Bohuslän and the city of Gothenburg is not that far. Trollhättan and Vänersborg is in close proximity to one another, and there is a flow of currency that comes with people that passes through, on their way up north or to the inland. This flow of money can be used by both cities. The trick is to make people stop. And the imaginative border between the cities can perhaps be both used as a catch and turned into a hiking trail. "Come and experience the diversity and contrasts between our two cities." Or: "Feel the tension and be inspired by the different histories, the nature and the dynamic milieu." Culture is not, it becomes when and where people interact with each other and the place where they live, even if they do not interact at all.

For cultural researchers imagination is a highly valued asset. And when I use my imagination I come to think of Charles Dickens famous book: *A tale of two cities*. His story can be transformed and used in the development of the destination Trollhättan and Vänersborg: "Come and participate in a tale of two cities", is maybe a plausible slogan? Vänersborg actually calls itself Little Paris, perhaps for the sake of the boulevard and the inhabitants taste for more sophisticated cultural expressions and art forms. This story has been used to put Vänersborg on the map. Little Paris is a story about Vänersborg, created by the author Birger Sjöberg and it do captures something of the soul of the city. It is a story of a small, but proud and urbane city. Vänersborg, the regional capital of the county, is a city of administration. This story can be contrasted to and shed light on the story of Trollhättan, which is a totally different city. It is a city with a long industrial history, not entirely unlike Gothenburg, that is commonly called Little London. These unexpected connections, and there are a lot of them if you open your mind and start looking, can be said to be an example of a line of flight that I will explain further on in the chapter. To find things to work with and develop you only have to open your eyes, but to use it you need imagination. Every place has something to build on, not necessarily something extraordinary. Culture is amazing in that way. To merge the two cities in to one is to simplify and that serves nobody. The differences between Trollhättan and Vänersborg are perhaps the destination's largest and most important asset? While there are differences between the cities, there is also much that unites them: The proximity to water and the beautiful walks in the fine and unique nature that surround the cities for example. There is good communications between Gothenburg and the destination and many tourists visiting Gothenburg can certainly be interested in taking a trip up country.

One important thing that really unites Trollhättan and Vänersborg and makes the destination unique in the world is the word or concept: Creativity. I regard this as an under developed story that can and should be used more both in the marketing and in the work to develop a unique and innovative destination. Trollhättan has an industrial history that can easily be summed up with the word

creativity. Trollywood, the famous filming site, shows how it has been able to maintain creativity in the area, even after the world is changing and the industrial map is rewritten. Trollhättan has in other words a legacy to uphold and to build something new on the evolving history. Vänersborg as well have a history that can be captivated by creativity, but there in a more (fine) cultural aspect of the word. Vänersborg has a well-known high school program in music and art. A possible slogan to use is: "Two cities, one creative destination: Come visit or move here and be inspired by the flourishing creativity." Or "Come visiting the *creative* Twin Cities."

To build a sustainable destination not only tourists can and should be attracted, companies are a vital part of every successful destination development. And today, in Trollhättan there is actually an emerging industry with potential for sustainable development. The car company Nevs, that build something new on the old and famously creative brand SAAB, namely cars with electric motors.

This is just a few examples of what one can see and develop further when one take culture and theories from Cultural studies in consideration and connect them to the work with developing a tourist destination. Don't think big, think local and do something with what you have, that's my (theoretical) conclusion.

### 6.3 Work-Integrated Learning

Work-Integrated Learning (WIL), in the fashion I work with it is a collective knowledge producing process that takes place in-between work life, academia and society (Nehls 2010). I regard it as a perfect tool for the kind of work that I want to do in the project. The success factor of a WIL-process is directly dependent on that no party is allowed to take over. It is a joint knowledge venture where everyone learns from each other. Equally important is it that every participant in the process understands that the actual outcome by *definition* is impossible to determine in advance. WIL is a process that is impossible to lead to a specific goal, and for it to be successful it requires that the power relations between the people that work together is well balanced. All parties in the process must in other words give up some of their autonomy. To avoid that WIL is becoming yet another quick fix that consultants are trying to sell, or worse, a coat of varnish on the same old business as usual, it requires that we dare to tread a path that, by definition, only to some extent can be mapped out. The risk may at first glance seem high, but a long term and well established WIL-process may well be the key to develop a sustainable society, and a prosperous destination.

The most important feature of WIL, in the way I work with the concept, is its character of a collective and non-linear process. To understand this, one must first accept that life largely is controlled by chance. Before this controversial claim is rejected (it is a common reaction to this type of statements), let me remark that I know that chance is dangerously close to fate and metaphysical figures of thought that are unrelated to what I'm here is about to say and do. When I talk about chance and coincidence, I do this in the meaning of the word that Deleuze (see, eg, 2006:209, 1990:164ff) has launched. He has in many texts resembled thinking with throwing of a dice. He is of the opinion that thinking is not primarily or exclusively something that goes on inside the heads of people, but rather to be understood as something that occurs in encounters *between* different kinds of actors, within a context. Deleuze means that the whole context must be considered in order to understand how thinking arises and how it changes. It is important to bear in mind that anything cannot happen as a result of chance. But what actually can happen further on is inevitably determined by the conditions that arise from what happened just now, hence the dice. Once you have accepted this you can easily pick up chance and it then illustrates that anything of a *limited number of possible scenarios* will be realized. The outcome of a cultural process can never be regulated beforehand or in detail and this is why even small and insignificant things and aspects become important. But it is possible to affect the opportunity horizon from which random outcomes are

generated. There is a small, but very important shift in perspective, here (see fx Rombach 1991, Czarniawska 2005, Callon 1998).

Related to chance is another of Deleuze's concepts, line of flight, that has been touched upon above. For Deleuze, "It is never the beginning or the end which are interesting; the beginning and the end are points. What is interesting is the middle." (Deleuze & Parnet 2002:39). For Deleuze, the real potential of a text (his concept can easily be related to WIL or destination development) lies in the *process*, in its lines of flight (basically *everything* that works and that can be made useful). In the middle, in-between, there is a becoming of knowledge that I would like to think of in terms of WIL and that can be used in destination development. It is always in-between, often as a result of chance, that new ideas emerge and innovations first see the light of day. These in-betweens of culture and everyday life is important but vulnerable and often neglected, because they are thought of as redundant. I argue the opposite, and regard this reminder as one of my most important contribution to the overall project.

Lines of flight can simply be described as a constructive opportunity that arises where/when you least expect. And what is needed in order to take benefit of this potential is the skill to detect, catch and make something of them as and where and when they appear. Moreover you need a humble openness and a willingness to test also ideas that someone else is responsible for. It is therefore of vital importance that as many people as possible learn how to recognize and capture these lines of flight, and understand that they appear everywhere.

In order to liberate the potential of WIL, and to discover and take advantage of the alignments that occur in-between, it is in everybody's interest to keep a high ceiling and to ensure that work progresses in an open minded spirit. What is needed in order to discover and make something out of the result, is the often neglected competence to talk and to listen, to converse.

## 6.4 Conversation vs debate

To liberate the potential of WIL and lines of flight we need a "place" that is designed for communication, because a truly sustainable development can only grow out of conversations between equal and critical but dedicated actors. If this place/space is physical or virtual, is of no importance, what matter is that it can promote unbiased meetings between interested and open minded participants. To make this happen one can do as Deleuze and think of the processes in terms of conversations (See Deleuze & Parnet 2002:1 ff). According to Deleuze, we must engage our self in conversations much more than what we do today. What we, on the other hand do today, but should stop doing, is discuss and debate. There is a fundamental difference between these words, an important and epistemological difference.

Debates have specific goals: To arrive at something that is defined beforehand, something definitive. Therefore debates often tend to evolve into arenas for exercise of power, even if it is not the intention of any of the parties. It is so to speak, built into the nature of the debate forum to fuel the trend to power precisely because the goal is to reach a settlement. The concept of conversation can thus function as a thinking tool for understanding what an ideal WIL process can look like and strive for and how this understanding can be used in destination development.

Conversations are, by definition, unbiased. In a conversation there is a natural and obvious place even for silence and reflection, which often is what it takes to come up with new ideas (or constructive lines of flight). Conversations are simply a brilliant platform for evolutionary trial-and-error-processes like WIL or the kind of destination development that I have in mind. When a problem is discovered in society it is common to start a debate or a negotiation to solve the problem. But too often and too quickly these debates tend to be filled by demands and expectations for quick

and tangible results. The problem with many debates and questions raised in society as well as the academy is that its configuration is shut and limited. The questioning itself regulates the mere possibility to come up with an answer. When a question is asked, there is seldom ill will intermingled in the question or from the person who calls for a debate. This tendency should rather be understood as a property which is nestled in to the questioning and discussion forum as such. Culture and everyday life in society are simply full of tacit rules and expectations that must be met before what is happening there can be regarded as meaningful.

It is important to remark that the concept of conversation may not be perceived as a method to solve concrete problems once and for all, so that everybody can return to their respective business as usual. For conversations to be fruitful processes of knowledge exchange they must be allowed to operate over time, in their own pace. When this is understood, participants in conversations about tourist destination development can help each other to control the conversation so that it stays unbiased and not migrates into a debate in which territory is guarded and power is exercised. If this happens the process can be paused and the conversation started over. This requires however that everybody involved in the conversation give up some of their autonomy and rather consider themselves as representatives of specific skills more than as representatives of a company or a discipline, with all that entails in terms of positioning and monitoring of special interests.

To achieve these ambitions it is essential to work carefully with the design of the process, and to really think through the parties' respective responsibilities. Deleuze & Parnet (2002:2) presents various suggestions on how one might think when designing such a process, or his thoughts can at least serve as inspiration when the rules for such a conversation is formulated. Deleuze's thoughts should however not be seen as clear definitions but rather as attempts to provoke the reader to think for themselves. Deleuze says that, "all mistranslations are good – always provided that they do not consist in interpretations" (ibid:5). The important thing here is to stay open for, and to devise strategies to discover and hang on to the lines of flight that show up everywhere, but that can be difficult to detect if you are concentrating too much on achieving a specific, pre-defined objective.

Knowledge grows out of the middle, between the participants and their respective competencies that is brought in to the process. A new and different, sustainable destination development cannot be something that arises in the mind of one or a few experts. By making many people actively aware of this state of affairs, it is possible to understand how to work out successful strategies to promote innovations and develop tourist destinations from below. But to be successful in this work it is crucial to understand that the process can't be steered towards pre-formulated goals. The only value this work or this process might have is entirely dependent upon the actual result that it gives rise to and what this result can be used for. The concept of best practice is problematic, even if one clearly can and should learn from others' best practices and benefit from experiences done by others. It is important that both science and the corporate world is critically reviewed, not only by scholars, because science is just as much as any other human activity impregnated with power and power structures. Transparency is the key word here, and it is important to promote the ability to critically assess the result of the work that is done. The insights gained in and through conversations between representatives of academia and work life can be used collectively and democratically in the process of building a more equitable and sustainable world.

In Deleuze's and Guattari's (2003a & 2003b) joint production, it is what is happening in the gaps between actors that are emphasised and important. It is in the middle that the unexpected is to be found, but only if the context where the conversation is taking place is sufficiently open. Help to understand this I get from a quotation from Deleuze where he is talking about his longstanding collaboration with his colleague Félix Guattari.

We were only two, but what was important for us was less our working together than this strange fact of working between the two of us. We stopped being 'author'. And these 'between-the-twos' referred

back to other people, who were different on the side from one other. The desert expanded, but in so doing became more populous. This had nothing to do with a school, with processes of recognition, but much to do with encounters. And all these stories of becomings, of nuptials against nature, of a-parallel evolution, of bilingualism, of theft of thoughts, were what I had with Félix. I stole Félix, and I hope he did the same for me. (Deleuze & Parnet 2002:17)

For those who might think that Deleuze is wrong, it is important to point out the fact that if the thoughts are found not to be the constructive tools that I perceive them to be, then the process will inevitably die. The only way to form an adequate understanding of the usefulness and potential of a concept is to investigate the actual consequences that can be connected to it after its set in motion. The value of a concept cannot be forecasted, only back casted or measured with empirical observation of the outcome.

## 6.5 Sustainability and the value of uncertainty

Unclearly expressed thoughts are not always a bad thing. Vagueness can sometimes be the only way forward. This is an important remark and something that has to be taken seriously to understand what I want to accomplish with my work and in this article. To solve the problems that can be connected to destination development, I argue, we do not need more rationality or better methods, we are instead in desperate need for a better use of the knowledge and understanding we have of the human mind. What we need is a different rationality, and time and effort from many different actors, as I have try to argue for above. There is no easy solution to the problems that society as a whole has to tackle, and that problem is similar to the problem of destination development. Therefore thoughts about how to tackle the problems of sustainability and theories of WIL also are useful in the work with destination development. These kinds of problems can only be solved if we understand that the solution often already is right in front of us. But as long as we do not see or understand this, the problem puzzles us. The key to the solution is to understand the importance of not to regard uncertainty as a problem. Both the problem and the solution have to do with culture, and culture can only be investigated indirectly because it isn't anything in itself. Because as soon as we sharpen our eyes to see clearly, as soon as we light up the place where culture is located, the answer vanishes. And as soon as we try to define it and transform it to a goal, which can be broken down into sub-goals, it slips through our fingers. Culture is by definition vague, just like the concept of sustainability and creativity, and this we need to both understand and take in to consideration to solve the problems connected to destination development.

To promote innovations we have to think of and work more with visions, instead of goals. And we need another understanding of knowledge and culture. We also need hope and comfort in the *process*, as well as time and patience. The approach I work with I like to see as a kind of planting of seeds that will grow and blossom into solutions, when and where the context and the climate is right. But to see and understand the potential of this requires of us that we abandon the quest for clarity, and instead embrace the uncertain and see it as a possibility. Clarity is like a lump of sugar for all those who want nothing more than to streamline the process that leads to an innovative and sustainable destination. Power and influence usually tends to move up the hierarchy, and when something goes wrong, the logical consequence would be kicking the boss. And then the process start all over and everything continues as before. If for example a famous and expensive expert is hired, he comes from the outside with a ready-made package, a best practice, and implement it, from above or from the outside, and then takes the money and move on. Experts is in many ways like mirrors in that way and they make money on the widely spread demand for clarity, certainty and expertise. Everyone is familiar with phenomenon like McDonalds, that may very well be successful, but it lacks real soul and is not dynamical, and everyone knows that the real money ends up in a multinational company that owns the rights for the concept. Developing a destination by hiring successful external consultants works in the same way and is not sustainable. In the short term it may be possible to

create something that attracts attention in this way, but not in the long term. Disneyfication is a well-known phenomenon, and it is the opposite of what I have in mind.

A perfect theory, model or solution triggers feelings of subservience and admiration *for the genius who created the theory, model or solution*. It transfers responsibility and action and also focus from the base to the top. That's unfortunate, if it is sustainability you are looking for or inventions you need. What is needed is commitment and action from as many people as possible. Therefore unclear scientific results, like the one that are produced in Cultural Studies are preferred, for they reduce the distance between the academy and the public. A solution that does not quite hold together sharpens your attention and promotes creativity. It motivates and leads to action; action that leads to motion, that creates change and this might make a destination prosperous and sustainable even if there never are any guaranties for this.

Vague thoughts and theories require attention and commitment; it creates a need for conversations. And sustainability function and work in many ways just like a conversation that needs to be kept alive in order to be effective. If the idea we talk about is clear and unambiguous, then there is nothing to talk about anymore. Then the process stops and we move away from what could be sustainable. Trollhättan and Vänersborg are two cities but one destination. I mean they can be united by a notoriously vague and elusive concept: creativity. And if the creativity is directed towards the challenge of sustainability and destination development, then one plus one certainly can be more than two.

It is important that we understand that there are no shortcuts to sustainable development, just work and effort, in everyday life, from as many actors (and we have to bear in mind that not only humans can function as actors) as possible. A constant striving from a multitude of participants is what sets the process in motion and also what guaranties its sustainability. James Surowiecki (2005) talks about *The Wisdom of Crowds*, and Nassim Nicholas Taleb (2007) in his book *The Black Swan* makes us aware of the importance of the highly improbable. Processes of cultural becoming are filled with “black swans” and this makes the outcome uncertain. What we have to understand is that this is not a problem, it is as it is. This is the way reality works.

Insights and knowledge is nothing that can be ordered up. Putting energy into designing a best practice to solve a problem is like putting all your eggs in one basket. Still, it's what we do, over and over again, both in science and society. We assume, a priori, that there is such a thing as a single best practice, always, everywhere. On the contrary, I argue for good reason that it is much more sustainable to start thinking freely about various possible solutions to the problems, and then collect the lines of flight that work. This way it is possible both to promote and develop the ability for creativity. What is best? It is a misleading question. A much more sustainable way to think and work is to start with the question: What works, in this case, here and now? If we start looking for what works, then we have to take into account the role of chance. Then chance is not a problem anymore, it's a valuable resource. Such a strategy sharpens everybody's attention, and not least moves the focus from the originator of the problem to its solution. This method and way of thinking about knowledge and destination development is designed to generate new and creative ideas from below, from the very foundation of the destination.

It is better to stop searching for best practices or the truth and instead reflect on the following question: Does it work? Do we want a society built by reverently uncritical and slavish rule-following citizens who folds flat for all authority? Or do we want a society where as many as possible take responsibility for and critically evaluate the decisions and not least the impact of the knowledge that is held true? This is rhetorical questions that have no definitive answers, questions that are designed to trigger conversations. Important but far too often neglected questions.

Cultural Studies, or at least the culture of science I'm doing, draws inspiration from everywhere, which I have try to show above. All that work should be used to enhance understanding of cultural events, events that I as a researcher am also deeply involved in, not only in the Marifus project. I cannot and will never be the one who tell others what to do. It is not the goal of my research. Power and responsibility must be distributed to the community for it and its process of becoming to be sustainable and it will be hard if we lock ourselves in with and rely on a best solution and if we only listen to people that have been approved for excellence.

The thought that I have tried to explain here can be explained in many ways. For example by asking the reader to think about a Troll (as in Trollhättan). Trolls (as well as knowledge, creativity, destination development and culture), has to be allowed to remain in the dark (stay vague), or else they die. The only way to experience alive trolls is in their natural habitat and to do be successful one must sharpen ones senses and accept the darkness and vagueness, because if you drag a troll out in the sunshine it turns in to stone and becomes something different.

## 6.6 A small but important step

What I want to promote in the project is conversations that can give rise to new meanings and significance *in-between* actors that build up the destination. To make this happen we need to regard the destination as a context in a state of constant becoming that gives rise to consequences. And in that process stories and concepts play a central role for the outcome. My task as a scientist cannot be to put forward matters of fact for society, which would be to restrain the multi-faceted character of culture. On the contrary, I think that scientist must redefine their role. Theoretical inspiration for that work I find in an article by Bruno Latour (2008): "What is the Style of Matters of Concern?" where he describes a scientific approach perfect for the project I am briefly sketching out the contours of here.

Latour reasons that contemporary society is characterized by a firm opinion on and understanding of what knowledge is. It is aptly described in the following term: Matters of Fact. A science that works with that objective only deals with facts that can be measured and with the question of what has "actually" happened. This definition of knowledge is both accepted and widely spread in society as well as in universities all over the world, and therefore it needs to be challenged. When one says that culture (knowledge, sustainability, innovation) is complex and often contradictory concepts one always run the risk of getting accused for being goofy. But if this is the case, if that is a matter of fact about culture and sustainability, how can this be a problem? If culture is best described by the word goofy, is it not better to accept this and try to understand the principles and processes leading to that outcome? The same goes for tourist destinations. We can learn a lot from Latour and his alternative to the rigid Matters of Fact, I think. A more appropriate and constructive ideal for scientific work can be to think about it in terms of, *Matters of Concern*. The difference between these two notions of science is very small, but crucial.

Latour offers four specifications for a working understanding of Matters of Concern. Firstly, a scientific work that has matters of concern as its leading star recognizes that there is no absolute distinction between subject and object. All knowledge is mediated and therefore the truth can never be clean or neat. In brief, Latour points out that we have to raise awareness of the fact that science is conducted by people and for people and that this is good enough. This is a slightly more humble approach to the result of scientific work. The basic thought here is that we have to recognise that knowledge cannot be distinguished from the scientists that present it. This does not mean that people that are engaged in science should not continue the activities they successfully have carried out. It only means that it is important to tone down the truth claims of the work and to raise awareness of the fact that scientists, like all other people, also have other needs than to seek truth and that it is difficult to be completely clear about what is what. Science is a human activity with all

that this implies. A sustainable knowledge production and promotion of innovations needs not only experts, it also needs a society with the ability to think critically about the result that comes out of the academy. A tourist destination is a scattered and open ended place with many different actors and it is the result of the interaction between its parts that is what counts.

*Secondly*, Latour emphasises that Matters of Concern must be appreciated to be valid. Because knowledge is not good or bad in itself we have to reflect critically, much more than today, about what we hold for true and who we listen to. Matters of Fact, by its very nature, we must take on whether we like it or not. A fact is a fact! This is problematic because it leaves society wide open to the exercise of power. Those who consider themselves to be in possession of the truth are completely closed to further conversations. Examples of what consequences this may have, we see in the far less than constructive debate on the climate that all too often has come to be about who has the truth, and too little about what we can do to avoid a serious threat. The important thing is not how concepts are *defined*, but what they can be used for. Knowledge imposed from above, objective Matters of facts that we have to obey is dangerous because it disables us of our critical awareness. Knowledge used for other purposes than to make life better and more sustainable for the participating actors is always problematic and needs critical examination. That's what Matters of concern is all about. Today, especially among researchers that idealise Matter of facts, there is too much focus on academic degrees. The risk with this development is that we tend to listen more to who is speaking, than what they say. Matters of concern are a way to focus more on the research questions and on the result, and less on the researchers.

Latour's specification number *three* is about how one should look at the context that everything and everybody is a part of. Above all, it is about giving attention to the fact that things, thoughts and materiality should be included in the assessment of a context and be assigned the same meaning as people. Anything that can make a difference, and therefore also thoughts, texts and material/technology, can and should be considered more. The world is populated by much more than human beings, which is obvious, but a fact often over looked. This statement should be seen primarily as an aid in the efforts to open our eyes to the fact that there is far more in the world that we have to take into consideration than we usually come to think about. Every tourist destination is a context that is built of smaller parts (and not just humans) which all can and should be regarded as actors with the ability to make a difference. Both social and material aspects of the world, people, thoughts, words and things can make a difference. Therefore the most appropriate thing is to only use one term, actors for everything. Knowledge, defined with the help of this approach, is something that occurs in and through a process which includes a wide range of actors, issues and artefacts, all with their specific problems and merits.

The *fourth* and final specification is about permanence and endurance, and that both science, society and tourist destinations is best understood as processes. The starting point for understanding this is that no actor who is getting into a relationship with other actors is ever unaffected. All meetings/relations between actors do something with the parties and affects both of them and the process of becoming which they are involved in (see also Latour 2000, p. 126).

## **6.7 How to release the hidden power of creativity**

Now, when the table has been set and the prerequisites for the work that I have in mind have been presented I hope the reader is ready for the final, where I will elaborate on some examples that can push thinking outside the box and that illustrates the relevance of the theories that have been presented in the chapter. Uncertainty and chance is a part of the mix we have to deal with. This is a fact of life that one can regard as a problem to try to eliminate or an opportunity to make something of. And I have argued that it is better to accept and try to build on the problems, the vagueness and uncertainty, rather than to try to eliminate them.

It is important to understand that innovations are created in complex relationships. You can never order up an innovation and you seldom find them where you think they are. Innovations emerge from the in-betweens of people, but only when the time and conditions are right. What is required is never possible to know exactly in advance, for then it would not be an innovation but something else. It is perhaps hard to see and understand the difference, but that is on the other hand the hardest part. When these conditions are accepted then the constructive work to make something out of the thinking tools that has been presented in the article can start. But one has to understand that the important thing here is what one does in the process of becoming, not the goal as such. Because what we have to deal with here is not a work towards a goal, it is a joint venture or a journey of discovery. This is the innovative new way to think about destination development that I find support for in my cultural research.

In order to create a climate that fosters innovation and innovative thinking, different skills than those common today in society are required. We need for example a more developed and collective ability to understand and to manage complexity and we have to learn how to live with and embrace uncertainty. We have to learn how to break patterns. Therefore, we cannot by definition do as we have always done. The kind of Cultural studies that I am working with deals with prerequisites for change and creates tools to make the most of the possibilities that is hidden in the complexity of everyday life. Often we want to be able to plan in advance exactly what should be done and we want to know how long it takes and how many people that is needed. But that only works when one deals with what we already know. Innovation and destination development is by definition something that we *don't* know. It's about creating something *new*. To foster innovations we therefore need to understand the value of generous margins and of patience and tolerance for errors and we also have to acknowledge the importance of accepting vagueness.

What distinguishes one place from another is its identity, and an identity is a fragile and complex quality that lays hidden in-between as the example with the troll that turned in to stone illustrated. Identities of places are vague and can't be pin-pointed exactly, they change when people goes in and out of the place. But everybody knows that some places are better than others and that some destinations manage to attract more visitors than others. This is what destination development is all about: identity and a sense of belonging (both among visitors and inhabitants). To achieve this and to work with this we need to understand the delicacy of the matter, and then we can work with a broad spectrum of tools and aspects. Identity is built by a mix of things that is familiar, of recollections of and connections with memories and different sensations, but we also have to take in consideration the environment and its unique characteristics. It is important that this complex process is allowed to emerge in-between, with as little interference as possible to allow people to put their own stamp on the destination and make room for them to shape his/her own destination out of what is there. It is also important to work with and try to develop collective visions for the future that can guide the process. To make this happen it is important that the place is built up of an architecture whose forms and structures in some sense is open and allows people to mentally or physically add the rest themselves. It is in the gap between tradition and an open ended future that a prosperous and sustainable destination and place to live is created and continually recreated.

A place is never finished; even if it is fixed in concrete it becomes over time when the people who live and reside there interact with the place, with each other and with the visitors. Innovation and creativity is processes, and those must be balanced in order to be sustainable. Exponential success is tempting, but involves huge risks for backlashes. Sustainable economic growth (which is the overall objective of the Marifus project) is growing organically, from below and in-between and at its own pace. The objective for this kind of destination development is therefore not to produce a finished concept that can be implemented and sold as a ready-made and copy write-protected artefact. Sustainable destination development must be based on and derived from those who live and work at

the destination today, and it has to be a process with a vision, not a goal that must be reached. To be successful in this kind of work the architecture and the open places of the destination has to be able to house a certain ambiguity, a kind of lack of clarity in how it should be considered and used. This ambiguity develops and triggers people's ability to interpret and also help them commit to the physical environment because they are co-creator of it. The effect that I have in mind here resembles what happens in art museums and exhibitions where the meaning is known to lie in the eye of the beholder. Ambiguities activate the imagination and start interpreting processes, and this sets creation processes in motion and promotes innovation. Ambiguities engage residents and visitors in conversations about the place and its meaning that then evolves and get spread out.

By consciously build in and count on ambiguities in the development of a place or a destination the sense of integration increases, and that in turn creates good conditions for sustainability. A place that one has made one's own is a place that one has developed feelings for. Ambiguity also helps to create interest, and it leads to a sense that there is always something new to discover at the destination. The effect that I am looking for is a collective feeling of never being finished. A unique place's own ambiguity is always related to that particular place history, and its future. Ambiguity is therefore as well as sustainability something that is growing in the gap between tradition and vision, the known and the unknown.

The concept of conversation is a model of thinking that can be said to address all of what I briefly have try to discuss in the article. In a conversation ambiguity is not a problem, it rather starts new conversations. I also regard conversations as a perfect context for developing skills that is needed to promote sustainability and innovation. It is an approach to knowledge that is based on skills and knowledge from Cultural Studies. A common prejudice of Cultural Study is that it deals with art, but it does not. It's all about culture, but there is a lot of inspiration to retrieve from art, to understand culture and cultural processes of becoming. This I want to elaborate on in the closing of the article and I do it with inspiration from architecture and some thoughts on the city of New York.

## **6.8 A sustainable destination build on uncertainty and creativity, from below**

To release the potential of the theories I have discussed in the chapter we need to understand some basic things. For example how the force of habit makes us blind for the architecture and lots of other things that just are there in every-day life and that we tend to forget. This is an aspect of architecture that has been recognized by, among others, the architectural theorist Finn Werne (1987). In his book titled (in my translation): *The invisible architecture*, he describes how all designed objects in our world can be said to encapsulate the notion of the place. He also talks about how the everyday routines rarely or never allow us to penetrate the layer of conventions and habitual thoughts that a clear and rational architecture force on us. Architecture is culture and culture is architecture, and the same goes for destination development.

The value of ambiguity and elusiveness is also something that the architect Catharina Gabrielsson (2006) has talked about in the book (in my translation): *Making a Difference*, that deals with public space. It depicts how architecture conventionally sought confirmation of values, norms and embraced the prevailing order, while art took the opportunity to criticize and ask questions. She has investigated what happens when art's critical and destabilizing approach is transferred to the architectural field by cross-fertilization between the two approaches; and she finds that this approach (the "same" approach that I have discussed above) generates new and often unexpected solutions and ideas. This I regard as important insights that can be used in destination developing. In art and architecture I find openings for just that kind of conversations that I have in mind. Architecture resides on the border between conventional science and Cultural Studies, and it certainly has to do with destination development. I see no contradictions between different scientific traditions. On the contrary I find it stimulating to work across borders, because it is often in-between that you find new

and useful knowledge. It is in spaces between that different approaches grow and new and constructive knowledge emerges, often as a result of chance. My work in Marifus and elsewhere is not about to determine how it is, but to try to understand where it is possible to go and what is needed for that journey to be sustainable. I see a lot of similarities between Cultural Studies and some schools of architecture in how we approach problems and regard uncertainties. At least according to my interpretation of the influential book *Delirious New York*, by Rem Koolhaas (1994).

New York is a place that a lot of things that has been touched upon in this chapter can be related to. Therefore I would like to end the chapter with some reflections and remarks regarding New York as a tourist destination. Because New York is a wonderful example of a prosperous, innovative and creative place that is never the same, even if it is always recognizable. Trollhättan and Vänersborg can of course not be compared with New York, but in the work to develop an interesting destination a lot of insights and inspiration can be gathered both from architecture and from the Big Apple and the work that has been done there.

In comparison with a clean and rational but next to boredom unambiguous location, a multi-layered, indefinite and open ended destination has a much greater ability to disrupt our habitual way of looking at the world around us. Complexity is a valuable quality that should be embraced and complexity and ambiguity can be built in to the place to help make it more interesting. But to be able to do this and to make the most of it, people that are responsible for the developing process has to understand the epistemology that this thought emerges from. My role in the process is therefore not to tell people what they should do, but to help them understand the pros and cons of this approach.

New York is a place where everything and nothing at the same time happens as a result of planning. It is an open ended place that gives the visitor a feeling of some kind of estrangement. New York gives its visitors a *verfremdung* effect because the city is unintendedly “designed” to disrupt the habitual vision and enhance the attention. Transformed into destination development it is about putting the visitor in a sense of ambivalence and uncertainty about how the place should be used and interpreted. This makes the visitors more active and boosts the interest for the destination.

Here Trollhättan has huge opportunities with its old industrial area down at the locks. Because no work is performed now the site already creates a kind of uncertainty and ambivalence, and these feelings (which occurs in the gap between tradition and vision) should be able to do something exciting and new out off. The place definitely has the same kind of potential that New York has, and the kind of work that has to be done to develop the area needs no huge investments. What I have in mind is all about doing something constructive with what is already there and the most important thing to bear in mind is to keep the place open ended and in constant motion, to arrange for an open future that is built on history of the place.

The goal with the Marifus project it is to arrange for and to optimize the opportunities for participation and innovation. The field work that I conduct is not primarily about collecting stories and to listen to stakeholders and citizens, and it is not about creating a common vision for the destination. That's how research usually is conducted and what convention bid. What I want to do is to do something different and new. I want to arrange for lines of flight and promote creativity. Sustainable destination development is best created by the people who come to the place and like it, and those who already live there. Trollhättan and Vänersborg have a good chance of becoming a destination to be talked about, and the talk attracts visitors, which spreads the feeling further and this increase the interest. Only by giving one can get, this another example from New York can illustrate.

Destination developing is about working with the identity of the place, and identity emerge from the bottom up and hook into what is already there. Identities will be genuine only if they are based on the history of the place. But it is equally important to recognize that *both* visitors and residents are co-

creators of the destination and that a place' identity arises from the interaction that takes place in-between. It is essential that everyone involved in this process understands this and do not fall into the trap of buying a ready-made concept. Durability is created in and through a constant flow of news and ongoing dynamic change, in and through conversations. Identity is not something you have. Identity is a reciprocal process of becoming. This can be said to be a corner stone for the success of New York as a destination.

The atmosphere of a destination is always the result of interaction between different components. Everything and everyone interacts, influences each other and co-create the experience. Knowledge is rarely found where one believes it to be and what is important and sustainable often occurs unexpectedly. Lines of flight arise where and when one least expects them to do. The well-known logo: *I love New York*, is a good example of the point I am trying to make here. It is of course difficult to replicate this in Trollhättan and Vänersborg. *I love New York* is a New York thing, but the process can be used as inspiration for the marketing of Trollhättan and Vänersborg. As bad as New York was in the seventies, when the campaign was launched, Trollhättan is not by far. But on the other hand the opportunities in Trollhättan and Vänersborg are not totally different. The region is in a period of change and something has to be done. Not long ago the car factory SAAB had to close down and the unemployment rate is high. The plans for the future are open and people seem to be waiting for something. This is a golden opportunity to try something new, especially as it does not require heavy investments. The change, the new concept has more to do with identity and peoples mindset than buildings. If the epistemology that I have discussed in this article is accepted the mild decadence of the city of Trollhättan and its open ended future can be regarded as an asset, as something to build on, instead of a problem. Even if not many people stop to visit Trollhättan and Vänersborg today many people passes through the area. If one thinks just a little outside the box it is not farfetched to see parallels to New York in the seventies and then it is possible to learn from, but not copy, the campaign that got New York back on their feet and restored the city's reputation. There are no guaranties for success and it is by no means easy, but if one does not try a negative answer is given. If one thinks of the idea as a vision, and not as a goal the chances of success increases. Perhaps in the end the result not at all looks like the New York campaign, but that does not has to mean it is a failure. When marketing New York today the whole world is the target, but the campaign was originally local. A global campaign, they thought would cost too much, and those who lived near New York was easier to attract to the city. The boom for the campaign kicked in and the phenomenon spread when a few satisfied customers returned home and mediated the message in ever wider circles. Here Trollhättan and Vänersborg have something to think about and work with, something to be inspired by. They have the flows of travellers that pass nearby, are well-known for the creativity that is bubbling there, and proximity to the nature and lots of interesting old and empty factory buildings and a well-known canal. The tricky question is: How do you get people that pass by to stop? If only a few people stop and leave the destination feeling happy, excited and curious for more, then perhaps a ball have been set in motion. How to do it and what methods to use are secondary. The key to success is to start with and build on what already is there, to promote what the residents are proud of and pleased with and to involve them and the visitors in the process.

It was decided at the beginning of the famous campaign that the logo, *I Love NY* not should be protected by copy write laws, and this made it possible for the logo and the campaign to reap spill over effects worth billions when entrepreneurs worldwide put it on everything from T-shirts to coffee mugs. This genius idea seems to be an important key to success for the New York campaign. I regard it as an inspiring empirical example of the carrying capacity of the theories that I have presented in this article, a line of flight and a result of chance.

It is usually not the intelligent, evidence-based and scientifically grounded ideas that shows to be the most effective in real life. More commonly, it is the seemingly insignificant, the vague and perhaps not really thought through ideas that in the end become famous. This lesson is important. My job as

a researcher is not to hatch the idea, but to arrange for this kind of ideas to be able to hatch and more importantly to facilitate the identification of a good idea so it can be tested and perhaps become cherished. No one knows in advance what works. Success factors can easily be identified and analysed retrospectively, but never in advance. And therefore the most important lesson that can be learned from the New York example is not how to do, but how to think before one does anything.

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