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Post-pandemic recovery strategies: revitalizing lifestyle entrepreneurship

Abstract

The pandemic resulting from COVID-19 disease has brought about an unprecedented crisis to tourism destinations, resulting in an almost complete shutdown of tourist flows. Whereas disaster recovery models focus on prevention and preparedness, the post-pandemic recovery strategies are underexplored, particularly in relation to the highly representative group of small-scale businesses run by tourism lifestyle entrepreneurs (TLEs). An integrated framework for Destination Marketing Organization (DMO) strategic thinking is developed using the Delphi method with Q-sort technique. Findings from a 26-element expert panel emphasize the priority of creating a favorable environment for small-scale business development and supporting the provision of resources and capabilities. After this initial effort to strengthen these fragile businesses, it is essential to increase their communication capacity, a common limitation of TLEs, allowing these entrepreneurs to access niche markets more suited to the business and lifestyle they run. With stronger businesses, DMOs can enhance destination competitiveness and innovation, stimulating cooperation and networking.

Keywords: Covid-19; Recovery strategies; Entrepreneurship; DMO; Destination Competitiveness.

1. INTRODUCTION

The crisis caused by COVID-19 is unprecedented in comparison to past crises, such as those originating in other diseases (SARS, avian flu, etc.), terrorism, natural disasters or armed conflicts. Unlike these crises, whose effects are geographically localized and with impacts on international tourism inferior to 4%, the COVID-19 pandemic has global and deeper consequences. In the course of a few months, destinations shifted from a paradigm of mass tourism to no-tourism (Gössling, Scott, & Hall, 2020). Strategies and policies for recovery should be studied within this new context.

Crisis management models focus on prevention, contingency planning, and on crisis anticipation and risk management (Faulkner, 2001; Hall, Scott, & Gössling, 2020; Ritchie et al., 2004, Santana, 2004). For this reason, the strategies for dealing with post-crisis situations considered in these models are relatively vague and of equal importance. Moreover, as Scott, Laws and Prideaux (2008) point out, there is no single answer to the crisis. As such, the
proposed solutions do not address specific target groups, nor do they take into account their specificities and weaknesses. In particular, this research focuses on Tourism Lifestyle Entrepreneurs (TLEs), who represent a group with particular characteristics when compared to entrepreneurs and small businesses in other sectors. This particular kind of entrepreneurs can be defined as “tourism business owners who are actively pursuing a different lifestyle” (Bosworth & Farrell, 2011; p. 1475). There are several reasons to focus on the study of the revitalization strategies of these entrepreneurs in the post-pandemic context. First, they represent a very significant share of total tourism businesses (Getz & Carlsen, 2000; Thomas et al., 2011). Second, they are considered to play a pivotal role in the sustainability and innovation of destinations (Dias et al., 2020b; Shrivastava & Kennelly, 2013; Yachin, 2019). Third, they run more sustainable businesses when compared to large companies, buy locally, create local jobs, and preserve local environment and traditions (Morrison, 2006). One final reason for focusing on these entrepreneurs as a pillar for the ‘new’ post pandemic tourism is related with destination differentiation strategies. TLEs’ offering is directed to specific niche markets (Koh & Hatten, 2002), and grounded in the uniqueness of each place (Dias et al., 2021), where they excel in product and experiences creativity, authenticity and immersivity (Richards, 2011). Thus, these tourist experiences are very much in line with what is expected to be the post-pandemic demand: selective, specific and with a greater concern for sustainability (Hall et al., 2020).

TLEs also show some weaknesses. Many of these entrepreneurs are attracted to tourism by low entry barriers, such as low investment or specialization to start the business (Bosworth & Farrell, 2011), leading them to manifest low management or tourism business experience. Within this framework, this research seeks to fill two existing gaps in the literature. First, to the best of our knowledge, there are no studies focusing on the identification of strategies for the revitalization of TLEs in a post-pandemic context. As argued by Moyle, Moyle, Ruhanen, Bec, and Weiler (2018), considering the importance of government strategies, plans and regulations to foster entrepreneurship, the amount of research in this area is limited. Second, the literature on crisis management is vague in relation to the strategies suggested for the recovery of small and medium-sized tourism firms. In this sense, the goals of this research are (i) to evaluate and prioritize the strategies that can be developed; and (ii) to detail the range of possible strategies suitable for this specific type of entrepreneurs. To achieve these goals, the most suitable strategies were identified using the Delphi method combined with Q-sort technique, with proven results in the tourism field (c.f. Darwish & Burns, 2019; Von Bergner & Lohmann, 2014).

The study contributes to build knowledge on crisis management and TLEs by expanding the range of strategies for the revitalization of the business fabric. At the same time, it establishes a hierarchy of these strategies, enabling a better long-term linkage. Thirdly, this
study expands the knowledge related to strategies for the revitalization of TLEs, an under-explored group in the literature.

2. THEORETICAL FRAMEWORK

2.1. The impact of COVID-19 on global tourism

COVID-19 has had a negative impact on the world economy, with devastating effects on the tourism industry (Hall et al., 2020; Yu et al., 2020). Unlike other pandemic events, such as SARS, Avian Flu or Zika, whose effects on tourism did not exceed 4% of international arrivals, COVID-19 has reached the ‘black swan’ disaster classification (Renjen, 2020), with unprecedented effects to the point of producing a shift from over-tourism to no-tourism (Gössling et al., 2020).

During the COVID-19 pandemic crisis, one of the first and most common measures taken by national governments in their fight against the virus was the closure of their borders to international traffic, with few exceptions (e.g. transit of manufactured goods) (Gössling et al., 2020). Indeed, according to the Organization for Economic Co-operation and Development (OECD, 2020), nine out of ten people in the world live in countries which have implemented cross-border travel restrictions. In addition, several non-pharmaceutical control measures (NPCM) were implemented by governments (Maier & Brockmann, 2020), most of which imposed unprecedented restrictions on the internal mobility of their citizens in order to contain the spread of the virus (Gössling et al., 2020).

Given the intrinsic nature of the tourism product, which requires consumers to move to the places where it is produced (i.e. the destination) (Williams & Shaw, 2011), the negative effects of the COVID-19 pandemic on the travel and tourism sector have been overwhelming and, in most cases, more severe than in most other industries (Nicola et al, 2020). Such effects are particularly concerning since, according to the World Travel & Tourism Council (WTTC, 2020) the sector generates one in four of the world’s new jobs, having outpaced the growth of the global economy in the last nine years. Moreover, in 2019, it accounted for 10.3% of the global GDP, with a contribution of around 9 trillion USD (Statista, 2020).

In its April 24th, 2020 report on the impact of COVID-19 on the travel and tourism industry, the WTTC (2020) estimated that 100 million jobs were at risk due to the virus outbreak, stating that an average of one million jobs were being lost every day as a direct consequence of the pandemic crisis. Thus, by the end of April 2020, unemployment in the sector had increased around 30% in the four previous weeks alone (WTTC, 2020). In addition, the sector is estimated to suffer losses of over 2.7 trillion dollars as a direct consequence of the
pandemic (WTTC, 2020). Moreover, according to the OECD (2020), such losses are likely to produce a decline of 60% to 80% in the global tourism sector, depending on the period in which the sector starts to recover. The combination of the magnitude of the devastating effects of COVID-19 on tourism with its crucial role for many countries seems to present overwhelming challenges to their overall socio-economic welfare.

2.2. Crisis management models and post-crisis strategies

Crisis management models are focused on prevention as the best strategy for crisis recovery in tourism (Hall, 2010; Kuo et al., 2009). For this reason, an extensive part of the studies carried out so far is devoted to prevention, scenario creation and preparation of contingency plans. Instead, the approach to post-crisis recovery has been dispersed and unstructured. Nevertheless, there are no specific proposals for small tourism businesses, many of them managed by TLEs. In this sense, the solutions available in the literature that can be applied to stimulate small-scale business are discussed below.

In previous research addressing the many roles that Destination Marketing Organizations (DMOs) should play in competitive tourism destinations, crisis management is often considered as paramount (Presenza et al., 2005). Among the concrete tasks in which DMOs should engage in the recovery stage of a crisis scenario, existing studies refer to their pivotal role in (i) fostering collaboration between the public and private sectors in order to organize joint marketing and communication campaigns in post-crisis scenarios (Speakman & Sharpley, 2012); (ii) providing channels enabling internal and external communication between destination stakeholders as well monitoring their effectiveness (Carlsen & Liburd, 2008); (iii) supporting small enterprises to access additional funding during and in the aftermath of a crisis scenario (Biggs et al., 2012); (iv) assisting small enterprises in their marketing efforts and delivery of coordinated and coherent promotional messages across destinations’ players (Calgaro & Lloyd, 2008); (v) fostering and coordinating collaborative marketing and promotional programs that are both flexible and creative (Carlsen & Liburd, 2008); (vi) facilitating the entry of new actors in the tourism industry by easing the burden of bureaucracy and corresponding administrative costs (Biggs et al., 2012); and (vii) incorporating specific crisis recovery procedures in the destination’s strategic planning, and training the employees of the tourism sector accordingly (Blackman & Ritchie, 2008).

With the relief of COVID-19 lockdown measures, destinations began to adopt a variety of strategies to reactivate tourism and the economy. One of the measures was necessarily in the area of health and hygiene, ensuring the implementation of NPCMs such as the use of masks or limitation of the hotels’ and restaurants’ capacity. There are also strategies focused on
revitalizing demand and supply, which are based on three essential pillars: marketing and communication, factors of production and strategic thinking. These strategies fit into the post-crisis phase suggested in the crisis management models (Ritchie, 2004).

The proposals related to marketing and communication focus on stimulating domestic and international demand, in this order. The majority of accounts dealing with crisis management in tourism focus on improving strategies regarding communication and the media, marketing and promotional messages, as well as destination image and reputation (Henderson, 2005; Mair, Ritchie, & Walters, 2016). To reactivate tourism demand, an intensive marketing effort is suggested (Pforr & Hosie, 2008), initially aimed at the internal market, which can be stimulated through financial incentives in the form of vouchers (Henderson, 2002; Henderson, 2005; Yang, Zhang & Chen, 2020) and insurances (Hall et al., 2020). The role of public relations and media management is also highlighted (Santana, 2004; Scott et al., 2008), favoring the communication of information to the market with a view to improving safety and hygiene compliance, and increasing the perception of safety due to the use of NPCMs in public places, transport and hospitality services (Morrison, 2018). There is a clear recognition of the need to change visitor perceptions (Scott et al., 2008). In this vein, the demonstration of the well-being of the local community positively affects tourists' perception of the destination (Hall et al., 2020). NPCM measures can be reinforced, creating validation systems similar to environmental seals (Lee et al., 2012).

In relation to the factors of production, improving the infrastructure is understood as a measure that reinforces marketing efforts, demonstrating to tourists a commitment with safety and the underlying safety of traveling to the destination (Pforr & Hosie, 2008). The concern with bureaucratic processes and access to the entrepreneurial activity is another important aspect to stimulate entrepreneurship (Nicola et al, 2020). However, the investment in community training and human resource capacity building plays an important role in post-crisis solutions (Hall et al., 2020; Lee et al., 2020; Pforr & Hosie, 2008). Crisis and emergencies result in neglecting organizational routines which are replaced by new tasks that take priority and in which people have no past experience (Scott et al., 2008). For example, Pavli, Tsiodras and Maltezou (2014) found that travelers show poor compliance with rules and recommendations issued by official institutions. This leads to increased difficulties for small businesses to manage these behaviors that are inappropriate in post-pandemic contexts.

Concerning strategic thinking, the crisis management models emphasize pre-event planning (Hall et al., 2020; Kuo et al., 2009; Mair et al., 2016; Ritchie, 2004). However, most research on crisis management in tourism fails to adopt a more holistic perspective (Mikulić et al., 2018). In addition, as suggested by Faulkner (2001), practitioners within the tourism sector
have yet to realize the importance of risk and crisis management planning due to the lack of theoretical and conceptual frameworks addressing this issue. The models follow a sequential logic, describing the approaches to be taken step by step (c.f. Faulkner, 2001), or a systemic one (c.f. Mikulić et al., 2018; Scott et al., 2008). Ritchie’s (2004) framework encompasses three distinct chronologically oriented stages of crisis management, including (i) prevention and planning; (ii) strategic implementation of the plan; and (iii) resolution, evaluation and feedback in the post-crisis stage. More recently, Mikulić et al. (2018) proposed the Integrated Risk Management approach to DMO crisis management. They suggest an integrated approach based on the identification of all the risks that a destination may be exposed to. The different stages of the process are then linked to the DMOs’ strategic objectives.

It seems noteworthy that, until September 2020, existing research on the post-pandemic crisis management of tourism destinations within the COVID-19 context was underexplored (Miles & Shipway, 2020). Additionally, there was an apparent lack of preparedness on the part of most societies in general, and tourism destinations in particular, to cope with the most impacting pandemic in recent history (Fisher & Wilder-Smith, 2020). As mentioned before, we posit that the strategic thinking proposals regarding post-pandemic recovery are dispersed across several areas, lacking an integrated approach that can effectively steer DMO decision making. We refer to strategic thinking instead of strategic planning because of its broader perspective and because the former precedes the latter (Heracleous, 1998). While the purpose of strategic thinking is to devise novel and imaginative strategies, strategic planning aims to operationalize the strategies developed through strategic planning (Heracleous, 1998). As such, in this unpredictable context, uncertainty reigns about which path to take, and the concept of strategic thinking is found to be more suitable due to its “creative, dynamic, responsive, and often intuitive process” (Graetz, 2002; 456).

The general consensus indicates that the implementation of recovery strategies necessarily involves medium and long-term strategic thinking (Gössling et al., 2020). One major strategic factor is market/product priorities. Crises constitute opportunities to rethink whether the path of mass tourism is sustainable (Hall et al., 2020). Referring to a post-crisis context, Scott et al. (2008) propose that destinations should consider new markets or segments, and Gössling et al. (2020) go further, suggesting a fine-tuned strategy aiming at niche markets, which are more suitable to small scale businesses run by TLEs (Thomas, Shaw, & Page, 2011).

The market and product changes require a reconfiguration of the stakeholders’ network (Scott et al., 2008), involving new cooperative relationships arising from the entry of new stakeholders and the exit of others (McKercher & Chon, 2004). This provides a unique opportunity to achieve better value distribution in tourism destinations (Gössling et al., 2020;
Hall et al., 2020), and to create an industry-wide system to help overcome the problems resulting from the crisis (Lee, et al., 2012).

2.3. Lifestyle Entrepreneurship in Tourism

Bosworth and Farrel (2011) define TLEs as the ‘tourism business owners who are actively pursuing a different lifestyle’ (p. 1475). Research focused on these entrepreneurs requires particular attention to their specific characteristics, which make them a different group from entrepreneurs in other areas (Carlsen, Morrison, & Weber, 2008). One of the unique features of TLEs is the set of management indicators they use. In fact, they combine profit-driven with other, non-financial, objectives (Wang, Li, & Xu, 2019a), which means that their decisions are not necessarily the most rational (Hjalager, Kwiatkowski, & Larsen, 2018). For example, Wang, Hung and Huang (2019b) note that they may make location decision based on local lifestyle or natural landscapes. Not necessarily the best options, from a business perspective.

Other characteristics of these entrepreneurs arise from the fact that they are attracted to tourism by low entry barriers, such as low qualifications or certifications (Ioannides & Petersen, 2003), making them a vulnerable group due to their narrow experience in management and limited resources, and little knowledge of the tourism business (Cooper, 2015). Arias and Cruz (2018) refer to these businesses as entrepreneurial *bricolage*. Furthermore, their business is affected seasonality, restricting their ability to attract and retain qualified staff (Czernek, 2017).

Notwithstanding these constraints, TLEs play an important role in the competitiveness of destinations. Since they are embedded in the local community, they occupy a prominent position to participate in local networks (Czernek, 2017), and to access valuable local knowledge which is unique and difficult to imitate (Hoarau, 2014). This provides a fertile ground for creativity and innovation (Carlsen et al., 2008; Long, 2017), and for more authentic experiences (Shaw & Williams, 2009) with strong local identity (Bredvold & Skálén, 2016). Furthermore, their business models are more associated with sustainable practices than large firms (Shrivastava & Kennelly, 2013; Wang et al., 2019a), since they are particularly interested in the preservation of the local way of life, of the traditional and natural environment (Bosworth & Farrell, 2011).

2.4. DMOs’ role in Lifestyle Entrepreneurship Development

Until recently, most DMOs were exclusively part of the public sector (Sheehan et al., 2016). Thus, the tendency to draw a dichotomy between the political and bureaucratic nature of DMOs
versus the market-oriented and pragmatic approach of private entrepreneurs seemed understandable (Coles et al., 2012).

However, as DMOs evolved to become membership organizations, their decision-makers are often lifestyle entrepreneurs at the same time (Strobl & Peters, 2013). In such contexts, it seems appropriate to question the aforementioned dichotomy. In addition, the ongoing trend towards a substantial withdrawal of funding to DMOs from the public sector has forced the latter to rely on commercial revenues from their own operations and well as from those of their private affiliate members (Beritelli & Laesser, 2014). In other words, necessity has driven DMOs closer to entrepreneurs and to entrepreneurship (Coles et al., 2012). Moreover, there is recent empirical evidence that DMOs can foster collaborative innovation networks (Pikemaat & Peters, 2016) which are, in turn, instrumental to support the development of an entrepreneurial ecosystem across destinations (Sheehan et al., 2016).

4. METHOD

4.1. Methodological approach

This study combines the Delphi method with Q-sort technique. The Delphi method is well established in tourism research (c.f. Asmelash & Kumar, 2019; Darwish & Burns, 2019), and Q-sort technique is also frequently used in tourism research (c.f. Lee, 2019; Shen et al., 2020). The Delphi method integrates a set of judgment approaches that have gained recognition for their predictive ability. It is a solid and well accepted tool to aggregate the contributions of experts for a consensual response on a specific topic and to predict and contribute to decision making (Rowe & Wright, 1999) and it is widely used in a broad range of topics such as management, industry or health (Powell, 2003). During the implementation of the Delphi the researcher expects the panellists’ responses to converge around a central opinion (Garrod & Fyall, 2000), which is facilitated by the use of sorting lists or standardized questionnaires combined with the fact that each subsequent round starts out based on the responses obtained in the previous round (Von Bergner & Lohmann, 2014).

A Delphi-based research does not depend on a sample that is representative of the population, since it uses qualified specialists who have a deep knowledge of the subjects under investigation (Okoli & Pawlowski, 2004). The individual skills and qualifications to be considered as an expert are to some extent also related to the size of the panel (Rowe & Wright, 1999). The definition of the size of the panel is not entirely consensual. Ludwig (1997) indicates an appropriate size of fifteen to twenty experts, while Worrall, Di Gangi and Bush (2013) suggest a larger range, from ten to thirty experts.
4.2. Procedures for the Delphi Method

For Rowe and Wright (2001) the development of this methodology is based on four essential elements: i) anonymity, ii) interaction, iii) controlled feedback of the participants' judgments and iv) statistical aggregation of group responses. Once the topic to explore has been identified and the expert panel defined, the first round begins with the presentation of a questionnaire with topics resulting from the literature review. By assuring participants’ anonymity, free opinion is stimulated, without any of the constraints associated with a face-to-face discussion. All individual responses are statistically analysed. By calculating the mean or median of the expert panel’s responses, the results of each round are transmitted to each participant through controlled feedback. This interactive procedure allows them to change and adjust their opinions in the next round by gaining knowledge of the group’s responses, gradually seeking consensus among the experts (Lu et al., 2020).

The number of rounds to be carried out in each study is another important aspect to be determined. There is no pre-determined figure, and it will always depend on the degree of achievement of the ultimate goal, which is consensus (Darwish & Burns, 2019). Prolonging the research with consecutive rounds can lead to fatigue and pressure in the group (Mitchell, 1991), which can result in withdrawal of participants during the process. On average, experts are invited 4.4 times more than those who actually participate in the first round, and of these about 18% abandon the study after the initial round (Nowack, Endrika & Guenther, 2011).

Considering consensus as the main objective of this methodology, it is important to measure it and confirm the success or failure of the results obtained. The Kendall coefficient (W) is a frequently used indicator, signaling the agreement between the participants’ opinions, ranging from 0 (no consensus) to 1 (total consensus) (Schmidt, 1997).

4.3. Procedures for Q-sort technique

We combined Delphi with Q-sort technique, which requires evaluating all the statements and defining an order of importance for each one, without repeating positions. By using response prioritisation, the end result benefits from a higher level of consensus, and this method is recommended when conducting research in tourism (Stergiou & Airey, 2011). According to Ahangar et al. (2020), this technique privileges and enables the identification and appreciation of opinions, perceptions and beliefs in order to find the different thought patterns instead of focusing only on quantifying the participants with divergent thoughts. Lately it has therefore been frequently used by researchers as a management and decision-making tool. In planning and delineating this research it was decided to have between 15 and 30 experts. Twenty-six experts were identified and invited to participate in all rounds, which is unusual for this type of studies.
The first round took place between May 25th and 31st, 2020. It comprised twelve strategies for developing entrepreneurship. In addition to the initial request for ordering the items taken from the literature review, the experts were also asked to present any suggestions they considered important, so that, after being evaluated, they could be included in the discussion in the next round. From the group came four strategy suggestions, which were not directly included in the study, since they were somehow related to and implicit in the initial list.

The second round took place between June 3rd and 7th, 2020, with the experts ordering, by degree of importance, the twelve appropriate strategies to develop entrepreneurship and the ten appropriate indicators to select them. The third and last round took place from June 9th to 15th, 2020. The study benefited from the researchers’ connection to all the participants, resulting in complete participation in all rounds.

4.4. Data collection and participants

To conduct this study, it was decided to use a panel of fifteen to thirty experts. Twenty-six were identified and invited to participate. All experts intervened in the three rounds. As mentioned above, the absence of withdrawals is rare in this type of research and bears out the perception of the team of researchers that there was a sense of duty among participants to collaborate in the study due to the pandemic context. When selecting the experts, an effort was made to create a heterogeneous group, promoting a broad global perspective, with diverse experiences in the area of tourism. The group was composed of ten top directors from the main Portuguese DMOs, six leading academics, and ten top directors from industry stakeholders.

In order to ensure the sustainability and competitiveness of tourist destinations, the literature suggests that DMOs are essential to network the actions performed by the various elements that make up the destinations (Volgger & Pechlaner, 2014, Moscardo, 2011, Ritchie and Crouch, 2003). And although their role is mostly of guidance and mediation, DMOs can promote the self-responsibility, self-organization and self-regulation of the existing network in the tourist destination (Volgger & Pechlaner, 2014). On the other hand, the role of DMOs is fundamental for the stimulation and visibility of smaller and more fragile companies (Blackman, Kennedy, & Ritchie, 2011, Blackman & Ritchie, 2008), including TLEs, which will certainly suffer very significant effects, resulting from the coming post-Pandemic crisis. As previously mentioned, this study addresses businesses that have low investment or specialization values to start the business, resulting in narrow experience in management or in tourism business, which makes the role of external entities like DMOs essential for the revitalization of small tourism-related initiatives (Dias et al., 2020a; Ritchie, 2008).
The choice of the academic participants for this study resulted from their competence and knowledge in the area, which led to the interpretation of the elements that characterize the tourism system, and to the prediction about its future.

This study was conducted in Portugal, a member state of the European Union, which is the second largest economy in the world. In line with other EU countries, the economic development of Portugal is linked to its entrepreneurial activity. Furthermore, data from a recent survey about entrepreneurial behavior and attitudes (GEM, 2020) revealed that in 2019 Portugal’s performance was equivalent to the global average in entrepreneurship indicators such as Perceived Opportunities Rate (Portugal 53.52%; global average 53.65%) or Perceived Capabilities Rate (Portugal 61.43%; global average 58.27%). Against this background, the results of this study may also prove useful to other countries.

5. RESULTS

The results achieved in this study are shown in Table 1. Since the list of criteria presented is not very extensive, they are presented in full. The level of agreement, as expected, increased from round to round. In the final ranking, agreement among the panel was quite strong for the strategies (W=0.62). The results indicate that the experts considered the most important strategies to be as follows: simplification of bureaucratic processes, capacitation and training, financial incentives for entrepreneurs, support for business promotion/marketing in target markets, and alignment of communication strategies and value proposition to enhance the image of the destination. The strategies identified with lower importance were: development of the infrastructure, facilitation of access to suppliers, and the organization of events to attract tourists. However, as recognized by Quinn and Ryan (2019) events can play an important role in renewal and revitalisation of the connections among community members.

6. DISCUSSION AND CONCLUSION

The results provided new insights which are believed to contribute to fill the research gap in this field as well as to assist DMOs in comprehensively tackling the challenges posed by pandemic crises.
First, participants in the study indicate a strong priority in creating an ecosystem that encourages entrepreneurship. In the same vein, Nicola et al. (2020) identified the importance of reducing bureaucracy and creating an enabling environment for business development in a post-crisis context. The unique circumstances brought about by COVID-19 revealed that the contingency plans of countries and tourism DMOs were not sufficiently prepared for the size and scale of the pandemic. As a consequence, smaller and more fragile businesses will suffer its effects very significantly. For this reason, the first three strategic approaches considered by the panelists intend to create the conditions for small-scale businesses to develop their competitive base. In this sense, simplifying the context in which businesses develop by reducing bureaucracy is an important measure, especially for businesses with a minimal structure and that are managed by entrepreneurs with limited management experience. There is also a commitment to competitive factors, such as human and financial resources (second and third ranking option). The resource-based theory (Conner & Prahalad, 1996) assumes that a company is more competitive if it possesses valuable resources that few other companies have and can hardly imitate, as controlling these resources is likely to generate sustainable competitive advantage (Barney & Hesterly, 2012). By promoting the qualification of entrepreneurs and their employees, and financially supporting the recovery of the business, the destinations are leveraging the retention of their capacity for innovation and differentiation (Carlsen et al., 2008), which are the basis for attracting specific segments or market niches, a strategy advocated for crisis recovery (Gössling et al., 2020; Hall et al., 2020). In this sense, this study contributes to extend the knowledge regarding the reactivation of small tourism businesses and TLEs in a post-crisis context, pointing out that the priority is to create an environment that stimulates these entrepreneurs, facilitating access to the business activity and promoting the allocation of essential resources and capabilities to develop the business.

Second, TLEs’ capacity for innovation and sustainability is related to the genuine experiences associated with the characteristics of the place (Guercini & Ceccarelli, 2020). The transformation of knowledge and the characteristics of the place into innovation is a central capacity of TLEs (Carlsen et al., 2008). However, due to the aforementioned limitations, TLEs find it difficult to capitalize on this innovation for the profit of the business (Cooper, 2015). These limitations result to a large extent from difficulties in accessing the market, in particular for lack of communication and marketing capabilities (Yachin, 2019). For these reasons, the strategies indicated in fourth and fifth place concern marketing and communication support and alignment. This is an important finding of this study, recognizing the need to address the weaknesses of TLEs in communicating with the market, allowing them to capitalise on their competitiveness basis - the place. Furthermore, this finding also highlights that the communication strategy should not only be stimulated but also be aligned with the
communication of the destination. By pursuing their own objectives associated with a certain lifestyle, TLEs follow their own agenda, and may differ from or conflict with the communication and image strategy implemented by the destination’s official entities (c.f. Eimermann, et al., 2019). One particular mechanism with strong impact on tourism growth is the creation of incubation programs (Moyle, Moyle, & Burgers, 2020). Based on the identified strategies, incubators seem to constitute an adequate mechanism to provide entrepreneurs with an integrative approach to innovation, knowledge and training, as well as networking and cooperation. As argued by Carayannis and Von Zedtwitz (2005), incubators can play a “particularly important role as bridges and levers for the digital, economic, and knowledge divides around the world, allowing entrepreneurs to tap into markets and pools of expertise” (p. 106).

Third, there is a second group of strategies in the ranking related to cooperation (promoting networking; accessing facilitation to tourism operators and distribution channels; stimulating cluster creation). Innovation in the experiences offered by TLEs will benefit from cooperation between the different actors of the value chain. For two reasons: because it facilitates access to knowledge and good business practices (Stamboulis & Skayannis, 2003), and because the involvement and participation of local stakeholders increase the scope and authenticity of the experiences (Yachin, 2019). Although previous studies have mentioned the importance of redefining the network of local stakeholders increase (McKercher & Chon, 2004; Scott et al., 2008), this study contributes to existing knowledge by identifying the sequence in which it should be done, which means that networking is not a starting point, making sense to stimulate it only when small-scale businesses are stronger. Before that, the various actors must understand their individual contributions to the final value of the relationship.

Fourth, this study extends existing knowledge by proposing a more integrated framework for strategic thinking, an important approach to take after a major crisis (Gössling et al., 2020). Figure 1 shows the sequence for DMOs to reactivate small businesses run by TLEs. First, the creation or development of a more favorable context for small entrepreneurs, including reducing bureaucratic complexity and financing training and resource development. Second, the support and alignment of the TLEs’ communication strategies. At this stage, both DMOs and TLEs define or redefine target markets, aiming at a more fine-tuned marketing strategy. Third, cooperation should be promoted in a context where these small-scale businesses are more robust as a result of the previous measures. These three steps reinforce the entrepreneurial ecosystem, as suggested by Nicola et al. (2020).

Insert Figure 1 about here
When considering the managerial implications, we follow Ritchie’s (2008) perspective that “due to the nature of the tourism industry comprising a large number of small businesses […] NTOs, DMOs or industry associations have an important role to play in assisting their stakeholders to change their reactive mindset and develop reduction and readiness strategies and initiatives” (p. 343). As such, this study also identifies several useful recommendations for DMOs’ decision makers and policy-makers in countries or regions regarding their key role in the revitalization of the entrepreneurial fabric as a response to the effects of the pandemic caused by COVID-19. First, it establishes priorities for strategic actions to be implemented, specifying the sequences of measures to be taken. To start with, destinations and countries must support small businesses through administrative simplification, training and financial mechanisms to re-establish the activity. This is not an easily achievable target, especially since the concept of TLEs is not clearly defined at government level, and indeed can cover a wide range of tourist activities that are not typified as such. For example, cooking classes for tourists or handicraft production may not fit the profile of a tourism activity, although their clients may be exclusively tourists. Therefore, in order for the subsidies to be effectively channeled to these entrepreneurs, it is necessary to establish parameters within which these dispersed activities can also be framed in the subsidies.

Second, decision-makers should consider and reflect on which market segments are priorities for the destination, allowing for adequate fine-tuning of the destination's marketing and communication strategies, and aligning the marketing support given to TLEs accordingly, avoiding conveying contradictory information to the market and promoting a mission-oriented approach by combining societal challenges and economic opportunities (Hjalager & von Gesseneck, 2020).

Third, decision makers will be able to strengthen the quality of experiences and the atmosphere of the destination by promoting a greater degree of cooperation between the various local stakeholders, so that there is greater shared value creation which in turn will generate the innovation spillover effect in the region. Only in this way can TLEs be effectively understood by policy makers as the lifeblood of the tourism sector, as suggested by Thomas et al. (2011).

This study opens several avenues for future research, which are associated with its limitations. The study sought to systematize the different strategies that could be used by DMOs to revitalize the fabric of small businesses run by lifestyle entrepreneurs. Each strategy should be explored in greater depth. Training is indicated as one of the main strategies to foster entrepreneurship. In this case, it is worth exploring in which areas such training will be most
Another area to explore will be financial incentives for entrepreneurs. The funds that Portugal and the European Union have had at their disposal to stimulate the industry have privileged the areas of innovation and internationalization. However, in the post-pandemic context it will be important to understand whether this is the kind of support needed by entrepreneurs or not.

The study also identified marketing support and alignment with the overall destination strategy as a strategic priority. Future research may help to define the concrete areas in which to invest. Since the supply of these entrepreneurs is very much associated with specific market niches and not mass tourism (Cooper, 2015), it is important to understand the balance between the stimulus of demand needed to revitalize the business and the tailor-made marketing tactics to reach these specific niches.

From the methodological point of view, the approach did not allow us to explore bias among the expert panel (DMOs/Industry stakeholders/Academics), but it should prove very interesting to analyze the different perspectives.

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Declaration of interest statement
Nothing to declare.

References


Table 1. Strategies to develop entrepreneurship (final ranking)

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simplify bureaucratic processes</td>
<td>1</td>
</tr>
<tr>
<td>Capacitation and training</td>
<td>2</td>
</tr>
<tr>
<td>Financial incentives for entrepreneurs</td>
<td>3</td>
</tr>
<tr>
<td>Support business promotion/marketing in target markets</td>
<td>4</td>
</tr>
<tr>
<td>Align communication strategies and value proposition to enhance the image of the destination</td>
<td>5</td>
</tr>
<tr>
<td>Promote networking</td>
<td>6</td>
</tr>
<tr>
<td>Access facilitation to tourism operators and distribution channels</td>
<td>7</td>
</tr>
<tr>
<td>Stimulate clusters creation</td>
<td>8</td>
</tr>
<tr>
<td>Support recruitment</td>
<td>9</td>
</tr>
<tr>
<td>Develop the infrastructure</td>
<td>10</td>
</tr>
<tr>
<td>Facilitate the access to suppliers</td>
<td>11</td>
</tr>
<tr>
<td>Organization of events to attract tourists</td>
<td>12</td>
</tr>
</tbody>
</table>

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Figure 1. Framework for strategic thinking in post-crisis context