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**Exploring the influence of community involvement on the social performance of Tourism Lifestyle Entrepreneurs: The mediating role of Co-creation**

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Masters (Msc) in Hospitality and Tourism Management

Supervisor:

PhD Álvaro de Borba Cruz Lopes Dias, Invited Assistant Professor, ISCTE Business School – University of Lisbon

Lisbon, 2022







BUSINESS  
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Department of Marketing, Strategy and Operations

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*To my mother who was my greatest hero and is no longer with us.*



## **Acknowledgments**

It has been a long and arduous journey. This dissertation has been one of the hardest academic challenges of my student career. I believe this made me a more capable individual. Not only was I able to conquer this hurdle with great enthusiasm, but also come out the other side prepared to begin my professional journey.

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“It's the kind of thing that makes you glad you stopped and smelled the pine trees along the way, you know?” - Gabbro





## Resumo

Os *Tourism Lifestyle Entrepreneurs* (TLEs) desempenham um papel inegavelmente vital para os destinos turísticos. Estes empreendedores são bastante únicos, promovendo experiências criativas e genuínas, intrinsecamente associadas às comunidades locais. No entanto, apesar disso, pouca atenção é dada a estes empreendedores, bem como o envolvimento da comunidade que promove o seu desempenho. Esta pesquisa tem como objetivo analisar o efeito mediador da cocriação no desempenho social dos TLEs, e examinar como esta influencia a relação entre o apego à comunidade, a orientação da missão social, e as estratégias centradas na comunidade e na autoeficácia social. Foi utilizada uma metodologia quantitativa, por meio de uma abordagem de duas etapas, onde um teste piloto, na forma de cinco entrevistas semiestruturadas, serviu de base para um questionário final aplicado online. Um total de 115 participantes foi obtido. Os resultados sugerem que a cocriação de TLEs tem uma forte influência positiva e direta na autoeficácia do empreendedorismo social. Os resultados também indicam que a orientação para a missão social, a estratégia centrada na comunidade e o apego à comunidade têm uma influência positiva significativa na autoeficácia empreendedora social, por meio do efeito indireto da cocriação. Estes resultados reforçam a importância do papel mediador da cocriação no maior desempenho social dos TLEs, o que, por sua vez, explica a importância do envolvimento da comunidade na competitividade dos TLEs.

**Palavras-Chave:** *Tourism Lifestyle Entrepreneurs*; Cocriação; apego à comunidade; orientação da missão social; estratégias centradas na comunidade; autoeficácia social.

**Códigos JEL:** L26; Z32



## **Abstract**

Tourism Lifestyle Entrepreneurs (TLEs) play an undeniable vital role for destinations. These entrepreneurs are quite unique, by leveraging creative and genuine experiences intrinsically associated with local communities. However, despite this, little regard is given to these TLEs and how their community involvement promotes their performance. Therefore, this research aims to analyze the mediating effect of Co-creation on TLEs social performance and examine how it influences the relationship between Community Attachment, Social Mission Orientation and Community-Centered strategies on social self-efficacy. A quantitative methodology was employed, through a two-step approach, were a pilot test, in the form of five semi-structured interviews, served as a basis for a questionnaire. A total of 115 respondents were garnered from the online survey. Results suggest that TLEs Co-creation has a strong positive and direct influence on social entrepreneurial self-efficacy. The results also indicate that TLEs Social Mission Orientation, Community-Centered strategy and Community Attachment have a significant positive influence on social entrepreneurial self-efficacy, through the indirect effect of Co-creation. These findings underline the importance of the mediating role of Co-creation on greater TLEs social performance, which in turn serves as an explanation for the importance of community involvement on TLEs competitiveness.

**Keywords:** Tourism Lifestyle Entrepreneurs; Co-creation; Social Self-efficacy; Social Mission Orientation; Community-Centered strategies; Community Attachment.

**JEL Classification:** L26; Z32



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## 1. Introduction

The literature depicts the current landscape of the hospitality and tourism sector with a high degree of internationalization and a harsh competitive environment, in which destinations are in a constant struggle to remain a step above (Andrares-Caldito et al., 2012; Dias et al., 2021). Although the inherent construct of competitiveness remains nonconsensual, mainly due to its complexity, in the specific context of destination competitiveness, the success of a destination is, fundamentally, shaped by how they compare to others and the perceptions of tourists, more specifically, what truly brings differentiation and actively attracts them (Andrares-Caldito et al., 2012; Dwyer et al., 2003). Considering this, entrepreneurship plays an undeniably crucial role in actively promoting and differentiating destinations (Zhang et al., 2021), primarily since a destination's capability to, not only attract, but also retain entrepreneurs is directly correlated with increased competitiveness (Dias et al., 2021).

Tourism Lifestyle Entrepreneurs (TLE), despite belonging to the entrepreneurial category, by possessing a set of exceedingly distinctive attributes that distinguish them from the rest, these lifestyle entrepreneurs are enabled to actively shape the performance and competitiveness of the desired touristic destinations (Dias et al., 2020a; Hallak et al., 2013; Zhang et al., 2021). TLEs are small scale tourism business owners, which incorporate carefully selected personal lifestyle choices in tandem with business and economic activity (i.e., Turning a profit) (Skokic & Morrison, 2011). TLEs possess a unique approach to value creation. The manner in which these entrepreneurs are able to, not only embed themselves in local communities (i.e., Local Community Attachment) and social environments (i.e., Co-creation), but also preserving the quality of local natural environments, equipping TLEs with exclusive opportunities to fabricate unique value propositions that are perceived as authentic, providing sustainable competitive advantages that are not easily replicated (Binkhorst & Dekker, 2009).

Although, TLEs have only recently been gaining traction in hospitality and tourism literature (Ahmad et al., 2014; Dias et al., 2020b; Yachin, 2019; Zhang et al., 2021), with this, a lack of extensive research on this topic has led to a non-consensus of perspectives on TLEs (Dias et al., 2020a; Skokic & Morrison, 2011). On one hand, some authors concluded that TLEs performance is lacking and largely limited due to their underdeveloped managerial and strategic capabilities, lacking research capabilities and overall risk aversion (Cooper, 2015; Ioannides & Petersen, 2003; Marchant & Mottiar, 2011). On the other hand, TLEs unique ability to embed themselves seamlessly with local cultures, while networking and acquiring

key information that allows them to identify crucial business opportunities and promotes an authentic experience by actively participating with stakeholders (i.e., Co-creation), therefore TLEs increase the value of their service and their self-efficacy (Anderson et al., 2010; Czernek, 2017; Hoarau, 2014).

Despite their importance to a competitive destination. As noted previously, TLEs have been quite underexplored as a promising topic (Dias et al., 2021), largely owed to the dismissiveness that early studies have pinned on TLEs ability to promote competitiveness (Ioannides & Petersen, 2003). Considering this, although Co-creation is related to destinations competitiveness (Binkhorst & Dekker, 2009), there exists a noticeable scarcity when discussing Co-creations effects on TLEs activities as a form of innovation, namely on their performance (Dias et al., 2021), as well as little establishment of the antecedents of performance for TLEs (Yachin, 2019). Moreover, many TLE studies focus mainly on personal and internal factors that push their activity, failing to identify the potential that the external drivers, such as community involvement, have on their performance (Bredvold & Skålen, 2016; Thomas et al., 2011). Additionally, there is not enough literature discussing the connection and role between community involvement of TLEs and cooperation with stakeholders (Dawson et al., 2011).

To fill these research gaps, this study contributes to the literature in multiple major sectors. Firstly, it presents empirical evidence for the importance of community involvement on TLEs Co-creation capabilities and performance. Secondly, it aims to better grasp the mediating role of Co-creation, and its part on, not only better explaining community involvement of TLEs, but also on improving social self-efficacy. Thirdly, this research aims to address the external factors and drivers that improve TLEs social performance indicators (i.e., Self-efficacy) by further exploring which antecedents better promote TLEs success, thus enabling higher degrees of competitiveness and value creation.

This study is divided into six chapters. On the following Chapter 2, the main findings of TLE literature are reviewed, and the consequent hypothesis and conceptual model are presented. In Chapter 3, the methodology is presented, by establishing how data was collected and sampled, and how each variable was established. In Chapter 4 the empirical results of this study were analyzed, and subsequently discussed on Chapter 5. Lastly, on Chapter 6, the main theoretical and managerial conclusions were presented, as well as the main limitations of this study and suggestions for further research.

## 2. Literature Review

### 2.1. Tourism Lifestyle Entrepreneur and the mediating role of Co-creation

According to Zhang et al. (2021), TLEs, contrarily to other entrepreneurs, exhibit a unique desire to support a specific lifestyle or hobby in conjunction with their business, or, in many instances, blending the two aspects together. In other words, these entrepreneurs combine their desire to seek a personal lifestyle into their business, in which economic viability is not the only concern. Additionally, Bredvold & Skålen (2016) underline the inherent duality with the notion of TLEs, since these entrepreneurs demonstrate the capability to merge two concepts that seem to be incompatible, which labels the notion of TLE as a highly complex and underexplored topic in the literature.

Considering this, to accurately depict the importance of these entrepreneurs, it is vital to emphasize some key components that cement TLEs as crucial for their competitive position within a destination, and, ultimately, as a unique driver for differentiation (Ahmad et al., 2014; Dias et al., 2020b; Zhang et al., 2021).

Firstly, TLEs hold a distinctive and dynamic relationship with local cultures, since their value offer is often integrally intertwined with a specific place or culture, this connection is a notable trait in small businesses, in which their strong link to a local community proves to be a sustainable source of innovation (Dias et al., 2020b; Espino-Rodríguez & Padrón-Robaina, 2005). Kallmuenzer et al. (2019) preface the notion that TLEs produce distinct relations with consumers, since these entrepreneurs can implement themselves in local communities, thereby promoting the sense of authenticity and place identity aids in attracting tourists. Additionally, Yachin (2019) notes this deeper integration in local communities bestows unprecedented opportunity for knowledge acquisition and potential collaboration between stakeholders from the local community. With that said, Co-creation is an essential tool for TLEs, the way they generate added value for travelers by remaining in close contact with local communities and lifestyles (Dias et al., 2020b; Ioannides & Petersen, 2003). Moreover, Binkhorst and Dekker (2009) note that their value offers, through Co-creation, function as both a countertrend to mass tourism and a key competitive advantage to destinations, since they promote authenticity and a niche product.

Secondly, contrary to most small business owners, TLEs are infamous for their passion-driven nature rather than being solely oriented by monetary growth, which emphasizes their own self-identity (Zhang et al., 2021). Namely, maintaining a quality of life and pursuing personal interests (Dias et al., 2021). This could lead to a loss of competitiveness considering

the line between business owner and lifestyle seeker often becomes blurry (Andrades-Caldito et al., 2012; Dias et al., 2020b), especially considering how difficult it could be for small businesses to access key resources (Kallmuenzer et al., 2019). However, Zhang et al. (2021) defends that the inherent focus on a specific lifestyle and motivations garners opportunity for creating innovation and boasting creativity, which, in turn, promotes a distinctive value offer that is excruciatingly difficult to replicate by large international companies. Furthermore, their local embeddedness acts as a primary source for innovation (Kallmuenzer et al., 2019), in which TLEs bypass the typical scarcity of resources by employing the local-specific advantages integral to the local community (Dias et al., 2020b; Ioannides & Petersen, 2003).

Lastly, these entrepreneurs are more socially aware, displaying deeper concerns about incorporating sustainable business models that will benefit local stakeholders, this is in stark contrast with large organizations, and it is owed to their desire to safekeep a specific lifestyle in that local environment (Dias et al., 2021). Kibler et al. (2015), argues that sustainable entrepreneurial behavior stems primarily from attachment to a specific location (i.e., Community Attachment), therefore, corroborating the notion that the desire to implement sustainable business models is brought forth by their ambitions, personal connection, and desire to maintain quality of life in that specific location.

Considering all of this, it is vital to understand, not only how Co-creation mediates TLEs social performance, but also how it is at the crux of TLEs entrepreneurial drive, functioning as a source of innovation and competitiveness.

### 2.1.1. Social Mission Orientation

Social entrepreneurship discerns itself from regular entrepreneurship by the inherent notion it carries, it is not as simple as a phenomenon, or even a trend, the idea of social entrepreneurs boasts powerful positive connotations, that reflect heavily on an individual's perception of a specific business (Bruder, 2020). According to Kibler et al. (2015), its these social entrepreneurs focus on "sustainable ventures" (p. 25), that, inadvertently, enable social causes to flourish at the core of their business model. Therefore, the social context in which these entrepreneurs develop their business acts as a catalyst for the creation of sustainable value, besides financial gain. Although, the importance of the social mission-centric approach these entrepreneurs display, denoting that it is also vital to consider a normative approach in which normative validity is considered, and where social entrepreneurship provides real and tangible value to society, functioning as more than a marketing ploy (Bruder, 2020).

Additionally, despite the relevance of Social Mission Orientation, in the literature, it is a complex topic to analyze, especially in the context of small and medium enterprises (SMEs). Where most social entrepreneurs face different expectations based on the characteristics and dynamics of the location in which they operate in, therefore, a noticeable lack of literature regarding Social Mission Orientation on these locally embedded entrepreneurs (Dias et al., 2020a; Meek et al., 2010).

Despite entrepreneurs being often seen as economically driven, TLEs promote other factors, such as quality of life and place identity. Therefore, the overall quality of the social context of the community in which these entrepreneurs' dwell is of great concern to them. In other words, TLEs seek to, not simply, preserve the local natural, social, and cultural environment, but also thrive, by providing opportunities and developing their business model with the local community in mind (Dias et al., 2020b; Yachin, 2019). Additionally, Dias et al. (2020a) also concluded that TLEs possess a fundamental aspiration to preserve local environment, local culture, and a unique way of living. However, Kibler et al. (2015) argue that, for the social mission-oriented entrepreneur, social legitimacy and place identity are key factors for success. Meaning that, TLE's emotional attachment to a location is not the sole indicator that dictates if the entrepreneur will be successful. It is also how the local community perceives and accepts the TLEs social mission that will, likewise, determine the success of that entrepreneur's venture. With this, Dias et al. (2020b) clarifies that it is feasible to infer that for the social oriented TLE to thrive, it needs to successfully integrate in the local culture, and allow authentic experiences related with the place to flourish.

Co-creation is at the crux of TLEs ability to embed into local communities (Dias et al., 2020b). In the sense that it enables a unique relation between stakeholders, whilst stressing the strong link between entrepreneur and place (Binkhorst & Dekker, 2009). Therefore, TLEs require a deeper connection with local communities to create more socially aware business ventures (Meek et al., 2010). Moreover, Dias et al. (2020a) concludes that the exchange of information and knowledge between TLEs and stakeholders (e.g., Co-creation) promotes the likelihood of generating meaningful sustainable practices, in turn encouraging a deeper connection among entrepreneurs through local activities (e.g., Festival, and other social events) envisioning a betterment of the local social environment.

Therefore, relationships are formulated in the following hypotheses:

*H1. There is a positive linear relationship between TLEs Social Mission Orientation and Co-creation.*

### 2.1.2. Local Community Attachment

When studying entrepreneurship, especially in the specific and unique context of TLEs, it is crucial to consider the impact of the social environment (Zhang et al., 2021). This is owed to the fact that TLEs can blend seamlessly their personal and professional drives, seeking to further promote their distinct lifestyle embedded in a local community, whilst promoting a better balance work-life balance and quality of life (Bredvold & Skålen, 2016; Sun et al., 2020). Considering this, local embeddedness is at the crux of TLEs activity, not only is it their primary source of unique value creation, but it also promotes innovation and key knowledge acquisition, generating a promising market value proposition (Yachin, 2019). Additionally, differentiation in the tourism industry is extremely tough, and experiences can be easily replicated, providing no guarantee of success and innovation for smaller businesses, such as TLEs (Andrares-Caldito et al., 2012; Skokic & Morrison 2011). However, Dias et al (2020a) prefaces that the TLEs degree of attachment promotes higher levels of connection amongst local stakeholders and deepens trust, whilst facilitating value creation and social interaction that exchange valuable information.

Community is a key driver for TLEs (Dias et al., 2020a). As stated by Marchant & Mottiar (2011), the choice of location is one of the most important variables for a TLEs business, their inherent desire to pursue a specific lifestyle compels them to generate self-employment and seek quality of life inside a distinctive community. Since local embeddedness is a primary concern for TLEs, their products and services are undeniably associated with the location (Hallak et al., 2013). Therefore, creating a distinct connection between the entrepreneur and the place is crucial for TLEs competitiveness, innovation, and differentiation (Dias et al., 2021).

Community Attachment provides ample opportunity for TLEs to learn from others, placing importance on cooperation and value exchange. Meaning that place attachment allows TLEs to access a continuous source of competitive advantage (Kibler et al., 2015). Most TLEs possess key common traits that explain the importance these entrepreneurs bring to communities, not only is there present a deep desire to interact and communicate with local stakeholders but also, most importantly, learn from them (Marchant & Mottiar, 2011). Additionally, TLEs business value is linked with the place, which promotes a niche market approach that seeks authentic and more participatory experiences. With this, networking with local agents is crucial. Meaning, a proximity with the community allows for more genuine experiences that are bound to the place (Richards, 2011).

Therefore, Co-creation plays an essential role in TLEs value creation, due to the ability to exchange and create experiences with local stakeholders (Bredvold & Skålen, 2016; Dias et al., 2020a). Since it pushes innovation and differentiation within the destination, by continuously improving upon the experience, due to the Co-creation processes associated with the local community (Hallak et al., 2015).

As such, it is possible to hypothesize:

*H2. There is a positive linear relationship between TLEs Community Attachment and Co-creation.*

### 2.1.3. Community Centered-Strategies

According to Dias et al. (2020a), place attachment displayed utmost importance on TLEs unique ability to, not merely create undeniable business value, but also remain competitive and promote innovativeness, mainly through social interactions with local environment and culture. Not only does it foster access to local competitive knowledge, unique to the place, but it also provided greater opportunity for the involvement of local stakeholders in crafting authentic experiences whilst granting access to local distribution channels (Czernek, 2017; Dias et al., 2020b). However, unlike most businesses, the underlying literature notes that TLEs display a tendency to prefer a more active and involved approach, propelling a closer contact with the place when it comes to community activities and Community-Centered strategies (Czernek, 2017; García-Rosell et al., 2019), opting to play a considerably more deliberate role on strategies to acquire key knowledge and identifying business opportunities (Yachin, 2019). For example, as García-Rosell et al. (2019) concluded, TLEs depend upon stakeholder relationships and social interaction to develop and promote their business, in areas in which they previously lacked the necessary knowledge to do so.

These Community-Centered strategies, ultimately, aim to enable social performance, by engaging stakeholders and develop unique local relationships, that will, inevitably, provide necessary knowledge to circumvent issues and develop their business, whilst maintaining long-lasting relations that will shape the experience (Czernek, 2017). Andersson Cederholm & Hultman (2010) stress the importance of the intimacy TLEs display, meaning that intense interactions with local stakeholders and customers are progressively more vital, whereas communication is framed as critical and promotes authenticity, in other words, social interaction is at the forefront of multiple service contexts, all highlighted by the proximity TLEs

provide. Additionally, Czernek (2017) concludes that proximity to local “geographic resources” (p. 216) improves social performance and innovation, emphasizing that large distances between entities discourages cooperation and hampers entrepreneurial activity.

Therefore, Community-Centered strategies require a close link with local networks and intimacy with stakeholders and customers alike, which promote a more deliberate and active participation on behalf of TLEs (Andersson Cederholm & Hutman, 2010; Richards, 2011), implying that TLEs require Co-creation processes to establish authentic experiences, assimilate local knowledge, strengthening local identity and promote sustainable practices, in which added value is assured (Dias et al., 2020a; Yachin, 2019). Moreover, it enables TLEs to leverage their unique knowledge to transform their service into more meaningful and client-oriented experiences, that aim to differentiate the destination, whilst promoting trust and engagement among the local community and all its stakeholders (Czernek, 2017; Schilar & Keskitalo, 2018).

Conversely, it is possible to propose the following hypotheses:

*H3. There is a positive linear relationship between Community-Centered Strategy and Co-creation.*

## 2.2. TLEs Social Self-Efficacy through Co-creation

Despite being cataloged as entrepreneurs, TLEs display notorious features that garnered a growing relevance in the business sector literature, especially in the Tourism and Hospitality industry (Wang et al., 2019). In which, as previously seen, economic viability is not a necessity, rather, it is coupled other indicators strongly associated with TLEs business proposition and overall uniqueness (Bredvold & Skålen, 2016; Thomas et al., 2011), such as quality of life, social and cultural indicators, and environmental awareness (Kibler et al., 2015; Marchant & Mottiar, 2011; Neumeyer & Santos, 2018).

This specificity and complexity have garnered much debate regarding TLEs contribution to local communities and economies (Cooper, 2015), where research became challenging, when attempting to access key performance indicator of entrepreneurial activity (e.g., Innovation) (Martínez-Román et al., 2015). With this, Wang et al. (2019) concluded that identifying intrinsic motivational factors was vital for understanding TLEs behaviors and drives. In other words, it is crucial to analyze subjective indicators, inherent and unique to TLEs. In which, entrepreneurial self-efficacy is a key indicator of performance (Hallak et al.,



2013), promoting innovation (Hjalager et al., 2017), and environmental and social drive (e.g., Community Attachment, Social Mission Orientation) (Dias et al., 2021; Kibler et al., 2015).

According to Hallak et al. (2013), entrepreneurial self-efficacy is seen as an individual's belief that a certain task will be successfully fulfilled. Moreover, Cooper (2015) underlines the importance of identifying opportunities, which are vital for the continuous success of a business. This ability to capitalize on opportunities is intrinsically associated with previous experiences and past performance indicators, functioning as pivotal accesses to information (Yachin, 2019). Concomitantly, personal satisfaction with chosen lifestyle and business deeply motivates TLEs to innovate and mature into a more competitive entrepreneur (Dias et al., 2021). Meaning that the importance of TLEs self-efficacy is inherently both practice-based and unique to the context in which the entrepreneur is inserted (Hoarau, 2014). Therefore, TLEs self-efficacy is not merely regulated by personal and individual factors (e.g., Previous experience, self-learning) (Arias & Cruz, 2019), it is also shaped by the social context and the community surrounding TLEs (Bosworth & Farrel, 2011), suggesting that forming relationships and communicating with local stakeholders (e.g., Co-creation) (Czernek, 2017), whilst generating knowledge corridors, that assimilate and accumulate critical information, all contribute to a more successful entrepreneurial activity. Therefore, shaping TLEs self-efficacy and demonstrating its importance for TLEs business ventures (Wang et al., 2019). Moreover, Sam Liu & Huang (2020) preface that social entrepreneurial self-efficacy increases the overall capability TLEs possess to identify market opportunities, whilst also promoting unique value creation through social interaction (e.g., Co-creation).

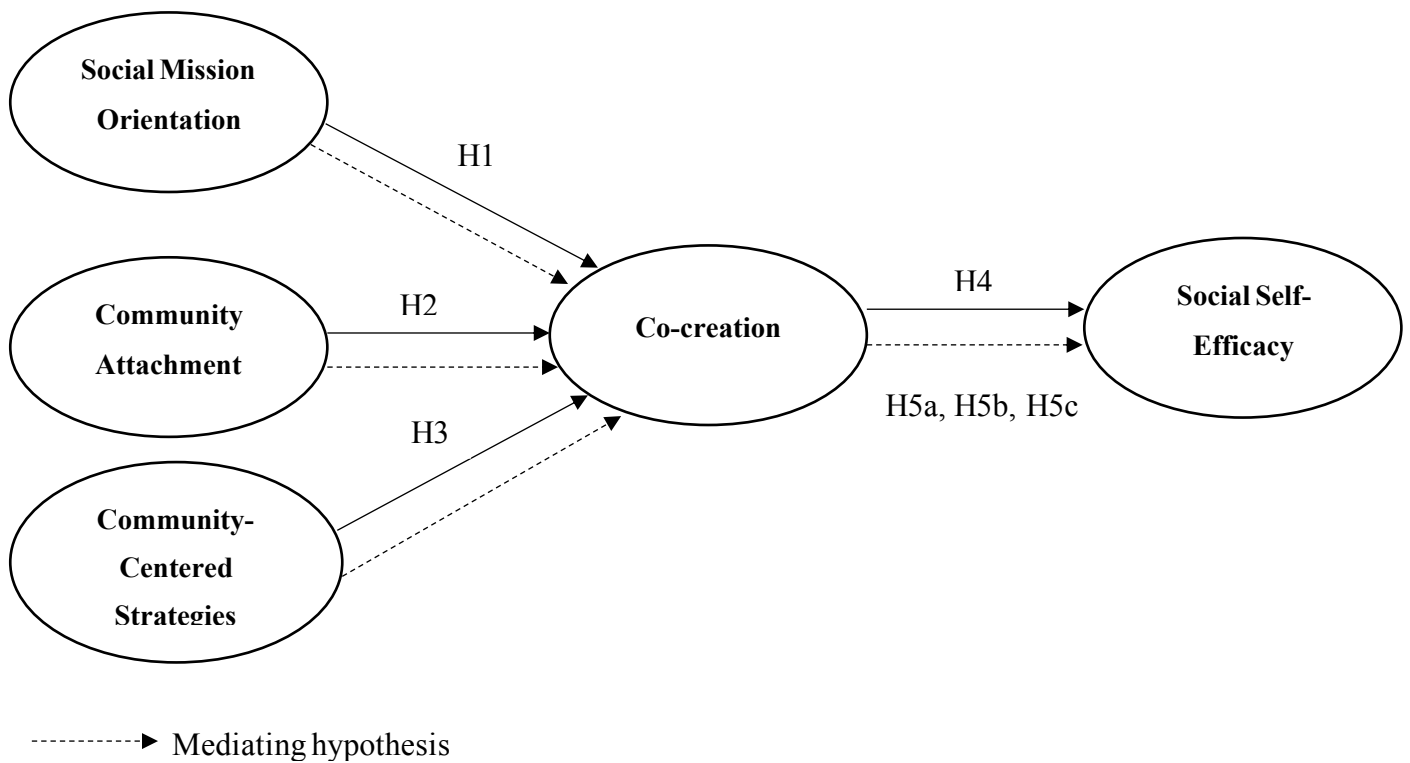
TLEs self-efficacy is directly associated with higher degrees of entrepreneurial performance, functioning as a predictor, primarily on the context of tourism and hospitality (Hallak et al., 2013). However, performance, on the distinct instance of TLEs, is not necessarily connected with economic viability, thus leaving room for social and lifestyle indicators to influence self-efficacy (i.e., Social Self-efficacy) (Wang et al., 2019). Considering the importance of the social context on TLEs self-efficacy (Dias et al., 2020b). Thus, Co-creation promotes crucial and distinctive opportunities for TLEs to identify business opportunities, whilst ensuring the continuous success of their lifestyle activities (Cooper, 2015), functioning as a mediator of social performance, and enhancing self-efficacy through social interaction and knowledge acquisition (Dias et al., 2021).

With this, it is possible to propose the following hypotheses:

*H4. There is a positive linear relationship between Co-creation and TLEs social self-efficacy.*

### 2.3. Conceptual Model

This study strives to analyze the effect of community involvement – Community Attachment; Social Mission Orientation; Community-Centered strategies – on social performance (i.e., Social self-efficacy) through the mediating effect of Co-creation. Therefore, the following conceptual model is presented as Figure 1 with the following hypotheses:



**Figure 1.** Conceptual model

*H5a. Co-creation mediates the relationship between TLEs Social Mission Orientation and TLEs Social Self-efficacy.*

*H5b. Co-creation mediates the relationship between TLEs Community Attachment and TLEs Social Self-efficacy.*

*H5c. Co-creation mediates the relationship between TLEs Community-Centered Strategies and TLEs Social Self-efficacy.*

### **3. Methodology**

Portuguese economic development has been strongly associated with entrepreneurial activities (e.g., TLEs) (Dias et al., 2020a). According to Global Entrepreneurship Monitor (2020), in 2019, there has been compelling evidence that indicators of social performance (e.g., Social Self-efficacy) in Portugal have been on the rise, implying that key entrepreneurship indicators such as Perceived Opportunity (Portugal 53.5 is the 7<sup>th</sup> highest out of 21 European countries) and Perceived Capabilities (Portugal 61.4 is 2<sup>nd</sup> highest out of 21 European countries) have greatly increased over the years. Thus, studying TLEs and their impact on economic development is vital.

#### **3.1. Data collection and Sampling**

The target population for this study were Portuguese and Spanish TLEs, based on criteria proposed by Bosworth & Farrell (2011) and Morrison (2006): 1) Business associated heavily with tourism; 2) Independently owned and run (i.e., No large chains or franchises); 3) Reflect local characteristics of the destination and location; 4) Actively sustain the local environment, culture, and traditions. Moreover, Portuguese economic development has been strongly associated with entrepreneurial activities (e.g., TLEs) (Dias et al., 2020a).

To ensure the safety of all participants, the data was collected confidentially and anonymously. Since the criteria for data collection was quite limiting, due to TLEs distinctive nature, obtaining a sizeable sample proved quite challenging, therefore a convenience sample was employed. Tourism entrepreneurship meetings (i.e., Tourism-Up, Taste-Up, Green-Up), with a sizeable concentration of TLEs that meet the predefined criteria, were used to recruit entrepreneurs and, subsequently, invite them to participate in the study. Complementary, an internet-based questionnaire was also used for collecting data. The questionnaire was conceived through an analysis of the relevant literature, published through reputable sources and academic journals, and a two-step approach. Firstly, three tourism academies were used to validate the scales used on this study. Moreover, the questionnaire went through a testing phase, where the validity and wording of the design were assessed, on a small sample of five TLEs: One hostel, one tour guide, one cooking experiences restaurant and two nature tourism. Culminating in a final questionnaire sent by e-mail to 115 TLEs. Afterwards, a total of 115 responses to the online questionnaire were obtained.

Out of the respondents, 66% were male and the rest identified as female. Of which, 62% claimed to operate their tourism business in the same place as they were born. In terms of regional distribution, most of the respondents resided in the center region of Portugal (85 of the respondents), while the remainder were from Andalucía's autonomous region in Spain. Regarding age, most respondents were between 50 and 60 years old (44.4%). Additionally, 7.5% had less than 30 years of age, 12.5% were between 30 and 40 years old, 25.6% resided between 40 and 50 years old. In terms of firm size, a significant margin of the respondents (68%) claimed that their firms had 10 or less employees, between 11 and 20 employees there were 16.6% of respondents, and the remaining claimed that they had more than 20 employees. On average, among all the respondents, they had a business operation experience of 7.26 years, with a standard deviation of 5.47 years, with a minimum of 1 year and a maximum of 43 years in operation.

### 3.2. Variables

This study adapted existing scales from the literature to measure all the variables adequately. Firstly, Social Mission Orientation was measured through a two-item scale, adapted from Dwivedi & Weerawardena (2018). TLEs Community Attachment and Community-Centered strategy were measured using four items and seven items, respectively, adapted from Besser & Miller (2001). The variables Social Mission Orientation and Community Attachment used a Likert-type scale (ranging from 1 to 7), where 1 = Strongly disagree, and 7 = Strongly agree. The variable Community-Centered strategy was assessed using a five-point Likert-type scale (1 = not important, and 5 = extremely important).

The four-item scale adapted from O'Cass & Ngo (2012), was employed to measure the mediating effect of value Co-creation. This variable was measured through a 7-point Likert-type scale (1= Strongly disagree, and 7 = Strongly agree), to measure value-based performance indicators.

Lastly, to measure social entrepreneurial self-efficacy, a four-item scale was adapted from Zhao et al. (2005), by inquiring TLEs to use a 7-point Likert-type scale, where 1 = Strongly disagree, and 7 = Strongly disagree).

## 4. Results

### 4.1. Data Analysis

To ensure the overall reliability of the used conceptual model, the structural equation modeling (SEM) was adapted for this study. More accurately, the partial least squares (PLS) analysis, in which thought the means of the SmartPLS 3 software, it enables researchers to determine the relationship between latent variables, while providing crucial information for posterior analysis (Hair et al., 2017). It employs a variance-based equation modeling approach, where the validity and reliability of the model is tested. Additionally, it is an especially viable tool that generates additional information and aids in finding relevant conclusions, whilst being able to analyze increasingly complex models (Ringle & Sarstedt, 2016).

The analysis and subsequent results will follow a three-step approach. Firstly, the reliability and validity of the measured model will be tested. Secondly, the structural model quality is assessed. Lastly, the hypotheses are tested.

**Table 1.** Composite reliability and validity, average variance extracted, correlations and discriminant validity

Latent Variables	$\alpha$	CR	AVE	1	2	3	4	5
(1) Social Mission Orientation	0,859	0,934	0,877	<b>0,936</b>	0,361	0,313	0,506	0,723
(2) Community Attachment	0,941	0,958	0,850	0,325	<b>0,923</b>	0,549	0,404	0,390
(3) Community Centered Strategy	0,883	0,927	0,810	0,325	0,509	<b>0,900</b>	0,536	0,464
(4) CoCreation	0,884	0,921	0,745	0,450	0,374	0,478	<b>0,863</b>	0,600
(5) Social Entrepreneurial Self-Efficacy	0,888	0,922	0,747	0,631	0,358	0,417	0,546	<b>0,864</b>

**Note:** Bolded numbers represent square roots of Average Variance Extracted (AVE), which represent the diagonal elements. Observing the values below the diagonal we observe the correlations between variables. Above the diagonal we observe the HTMT ratios. Additionally,  $\alpha$  – Chronbach Alpha; CR – Composite reliability.

According to Hair et al. (2017), to accurately assess the quality of the measurement model it is vital to employ composite reliability that will assess internal consistency reliability of the model; Individual indicator reliability and Average Variance Extracted (AVE) to analyze convergent validity and, lastly, assess the discriminant validity. Concomitantly, these findings should support the reliability and validity of the model for this study.

To analyze convergent validity, it is necessary to demonstrate three key indicators of quality. Firstly, data convey that the standardized factor loadings of the variables were above the value 0.7, while being statistically significant ( $p < 0.01$ ), which is crucial for providing

evidence for individual indicator being reliable. Secondly, as Table 1 demonstrates, all the individual variables of Cronbach alpha ( $\alpha$ ) and composite reliability (CR) had a higher value than the 0.7 cut-off, meaning these findings are satisfactory and a valid measure of the construct. Thirdly, the AVE of the chosen constructs needs to be higher than 0.5, meaning that for constructs to be valid, they are required to explain more than half of the variance, and as Table 1 shows, all the AVE of our constructs are well above 0.5 (lowest being 0.745) (Hair et al., 2017). These findings provide undeniable evidence to support the convergent validity and quality of the measured model.

Moreover, it is crucial to assess the discriminant validity of the model, where two approaches are highlighted. Primarily, the more conservative method, the Fornell and Larcker criterion, which compare the square roots of the AVE with the correlations of the chosen variables. For this criterion, all the construct's square root of AVE are requisite to be larger than the highest correlation between any two constructs (the highest correlation being 0.631), meaning that this criterion is satisfied. Second, by examining cross loading, or in other words, by utilizing the heterotrait-monotrait ratio criterion (HTMT), which require the construct's values to be below the threshold of 0.85. Considering this criterion, all values are below the 0.85 threshold (with the highest being 0.723) (Dias et al., 2020b; Hair et al., 2017). These findings provide undeniable support for the discriminant validity of the model.

Subsequently, after confirming the validity of the model, as seen previously, it is crucial to assess the quality of the structural model. Although, before starting the analysis it is crucial to verify the collinearity, since it usually equates to redundant indicators being used in the measurement which can have an impact on the estimation of weight and their corresponding significance (i.e., Affect quality of the structural model) (Hair et al., 2017). Considering this, the Variance inflation factor (VIF) assesses the level of collinearity present on the structural model, the VIF values on this study's structural model range from 1.00 to 1.5 (with the highest being 1.419), far below the critical threshold of 5 (Hair et al., 2017). The structural model quality is assessed through multiple metrics: 1) Path coefficients value ( $\beta$ ) and significance ( $p$ ), which are crucial for proving that the model's hypothesis is substantiated empirically; 2)  $R^2$  value of the endogenous latent variables, providing the percentage of the variance that is explained by the model; 3) Stone-Geisser's  $Q^2$  value, measuring the predictive relevance of the model.

This study presents four endogenous variables, i.e., Community-Centered strategies, TLE Co-creation, Social Mission Orientation and TLE Social self-efficacy, each of these variables present an  $R^2$  value of 25.9%, 34.4%, 10.6% and 29.8% respectively, which are deemed

adequate for proving the structural soundness of the model since these values surpass the minimum of 10% variance explained (Falk & Miller, 1992). Additionally, the  $Q^2$  values for the endogenous variables are 0.198, 0.245, 0.086, 0.214 respectively ( $Q^2 > 0$  is adequate), proving the predictive relevance of the model.

#### 4.2. Hypothesis Analysis

**Table 2.** Structural model validity

Path	Coefficient	Standard error	T statistic	P values
Community-Centered strategies → Cocreation	0.338	0.066	5.136	0.000
Community Attachment → Cocreation	0.097	0.075	1.292	0.197
Social Mission Orientation → Cocreation	0.324	0.066	4.910	0.000
Cocreation → Social entrepreneurial self-efficacy	0.546	0.056	9.787	0.000
Community Attachment → Community-Centered strategies	0.509	0.073	6.992	0.000
Community Attachment → Social Mission Orientation	0.325	0.080	4.045	0.000

**Note:** t statistic is calculated by dividing the Coefficient value with the standard error

**Table 3.** Bootstrap indirect effects of structural model

Path	Estimate	Standard error	T statistic	P value
Community-Centered strategies → Cocreation → Social entrepreneurial self-efficacy	0.185	0.039	4.760	0.000
Community Attachment → Cocreation → Social entrepreneurial self-efficacy	0.227	0.055	5.012	0.000
Social Mission Orientation → Cocreation → Social entrepreneurial self-efficacy	0.177	0.049	3.574	0.000

**Note:** t statistic is calculated by dividing the Coefficient value with the standard error

As demonstrated on Table 2, Community-Centered strategy has a significant positive effect on Co-creation ( $\beta = 0.338$ ,  $p < 0.001$ ) and Social Mission Orientation also has a significant positive effect on Co-creation ( $\beta = 0.324$ ,  $p < 0.001$ ). These findings serve to support H1 and H3,

respectively. Additionally, Co-creation was found to have a significant positive effect on TLE social self-efficacy ( $\beta= 0.546$ ,  $p < 0.001$ ), providing the necessary support to validate H4.

However, the effect of TLEs Community Attachment on Co-creation is not significant ( $\beta= 0.097$ , n.s.), meaning that H2 is not supported by the results.

According to Hair et al. (2017), to accurately test the mediating hypothesis of this model a bootstrapping method was utilized. Initially, a bootstrapping of 500 subsamples was employed to provide an initial grasp of the results. The current results boast a bootstrapping analysis with 5000 subsamples which is meant to provide a more rigorous analysis of the structural model and register more precisely the significance of the parameters and the significance of the indirect effects of the variables via the mediator effect of Co-creation. Table 3 refers to the results of said indirect effects.

The indirect effect of Community-Centered strategy, Social Mission Orientation and Community Attachment on TLE social self-efficacy, through the mediating effect of Co-creation are all positive and significant, with ( $\beta= 0.185$ ,  $p < 0.001$ ), ( $\beta= 0.177$ ,  $p < 0.001$ ) and ( $\beta= 0.227$ ,  $p < 0.001$ ) respectively. These results provide the necessary structure to support the mediating hypothesis of H5a, H5b and H5c.

## **5. Discussion**

The conceptual model established for this study aims to understand the impact of the TLE variables (i.e., Community Attachment; Social Mission Orientation; Community-Centered strategy) on social self-efficacy (outcome) through the mediating effect of Co-creation.

The results obtained from the analysis of the collected data provide a unique insight into the complex theme that is lifestyle entrepreneurs. Therefore, it is crucial to interpret each hypothesis and results while crossing it with the existing literature to better discuss the findings, as these could prove crucial in furthering the understanding of the impact of TLEs in the continuous improvement of destinations and their competitiveness, as well as the managerial implication on their social performance and active involvement with both local communities and tourists alike.

### **5.1. Factors influencing TLEs relationship with Co-creation**

First, results suggest that TLEs Social Mission Orientation strongly influences Co-creation. It is crucial to underline the importance that these entrepreneurs pin on the sustainability and preservation of the location and community in which their business operates (i.e., Sustainable



ventures) (Kibler et al., 2017). Moreover, to further explain TLEs desire to promote the Social Mission Orientation of their business Dias et al. (2020a) notes that TLEs desire to implement social goals into their business model promotes a triple bottom line perspective, in which preserving their unique way of living, the local environment and culture are imperative for the continuous success of TLEs activities. Coupled with this, other authors also describe the importance of, not only communicating with local community (Yachin, 2019), but also promoting knowledge exchange with local stakeholders and tourists (Marchant & Mottiar, 2011), as a unique source of value creation and authentic experiences for these entrepreneurs. Additionally, TLEs rather small scale of operation provide ample opportunity to assimilate with local communities more effectively (Dias et al., 2020b), since they are perceived as more trustworthy with all stakeholders (i.e., Locals and tourists), cooperate better with the community and are actively involved in local activities. Therefore, TLEs deep connection with local communities and tourists enables them to create more socially aware business ventures (Meek et al., 2010). On one hand, the ability to assimilate well into local communities and form a trust bond with them promotes better sustainable ventures for TLEs, since the social connection enables a deeper understanding of the community and access to opportunities to better develop the desired lifestyle of the entrepreneur. On the other hand, this Co-creation with the local community ensures a better unique and authentic experience for travelers, while also ensuring the sustainable continuation of the destination and success of TLEs business. With this, the relationship between Social Mission Orientation and Co-creation is established.

Second, the results demonstrate the strong impact of TLEs Community-Centered strategy on Co-creation. TLEs possess a distinctive capability to remain competitive through their social interactions, knowledge of local community and ability to innovate, which provide opportunities to craft authentic local experiences (Czernek, 2017). However, some authors point out that unlike most other entrepreneurs, especially larger corporations (e.g., Large hotel chains), TLEs prefer a closer contact with local communities, opting to a much more direct and deliberate role on community involvement (García-Rosell et al., 2019; Zhang et al., 2021). Lifestyle entrepreneurs depend heavily upon social interaction with local stakeholders to develop their business, mainly in areas in which they lack knowledge to do so (Yachin, 2019). With this, proactive participation within the community is at the center of TLEs strategy to develop unique business opportunities and circumvent possible business-related issues (Andersson Cederholm & Hultman, 2010). In other words, the quantitative study implies that actively participating with the community providing unique chances for value Co-creation with stakeholders surrounding said community, as well as, identifying new opportunities and

improving the overall competitiveness of the destination. The results of this study also perpetuate the findings of other authors, such as the notion that TLEs benefit greatly from deliberately interaction with local stakeholders, serving as a compelling explanation for the contribution of Co-creation in explaining how TLEs can overcome their notorious lack of managerial expertise and limitations in skills by their Community-Centered strategies that enable Co-creation.

Interestingly, there exists a noticeable discrepancy in the literature regarding TLEs Community Attachment, in which some authors defend that Community Attachment has significant impacts on outputs and explains the importance of TLEs (i.e., innovativeness, self-efficacy) (Dias et al., 2021; Yachin, 2019), and others where no significant impacts are found (Cooper, 2015; Marchant & Mottiar, 2011). Considering this, the results demonstrate a lack of significant contribution of TLEs Community Attachment on Co-creation. Concomitantly, as an attempt to explain the discrepancy of TLEs literature, Dias et al. (2020a) identified three main types of lifestyle entrepreneurs: 1) Opportunity seekers, small scale businesses with high degrees of both innovativeness and knowledge assimilation, in which seizing opportunities arising from connection with stakeholders is crucial; 2) Professionals, these TLEs are more structured, with good potential for innovativeness and sound communication channels, however business is often balanced by lifestyle choices and desire to orient their business based on quality of life; 3) Laggards, these possess some of the defining characteristics of TLEs as entrepreneurs, such as innovativeness and capability to seize opportunity, however these traits are not strong, since there is no active participation nor desire to actively seek opportunities to create value.

Local embeddedness is crucial for TLEs, since it is at the crux of their unique service value and can serve as a knowledge acquisition tool by creating a close bond with said local community, as well as promote their competitiveness (Yachin, 2019). Additionally, this level of connection is hard to replicate for other entrepreneurs, promoting differentiation for their business. However, as other authors point out, TLEs local Community Attachment differs from other constructs (e.g., Community-Centered strategies) in the sense that it promotes passive and very informal channels of communications and assimilation of knowledge (Marchant & Mottiar, 2011), this creates a proximity with the local society, but not necessarily as a basis to promote their business, nor their value creation (Ioannides & Petersen, 2003). Moreover, the continued increase in TLEs competitiveness towards other businesses, and as many resources prove to be scarce, this might suggest barriers of entry that inhibit Co-creation (i.e., Lack of competent labor force, Lack of time) (Yachin, 2019), TLEs ability to generate value by local

embeddedness through Co-creation might not be as significant as other more active and involved strategies and tools (e.g., Community-Centered strategy; Social Mission Orientation). As such, TLEs entrepreneurial capacity to generate value through Co-creation by Community Attachment is heavily dependent on the types of strategies employed, and the degree that TLEs can identify new desirable opportunities. Although, as this study suggests, the rather informal and passive nature of local attachment, coupled with the reduced managerial experience and limited strategical planning proves to be insufficient for generating value through associating with stakeholders, especially with tourists.

## 5.2. Factor explaining the mediating effect of Co-creation on TLEs social self-efficacy

The results of this study demonstrate the significant impact of the mediating effect of Co-creation on TLEs performance, i.e., Social self-efficacy. There are present some examples on the literature that support the impact of Co-creation on TLEs performance (Binkhorst & Dekker, 2009; Dias et al., 2021; Liu & Huang, 2020). Although, these examples do not explore the full extent of the impact of Co-creation. Considering this, to achieve this study's goal, it is necessary to analyze much more in depth the mediating effects of Co-creation on social performance.

TLEs social self-efficacy is the individual perception that a certain task has been successfully fulfilled (Hallak et al., 2013). However, self-efficacy is not merely an individual construct, it is also greatly shaped by the social construct surrounding the entrepreneur (Sam Liu & Huang, 2020). Considering this, Co-creation processes aid in generating value, largely based on cooperation with stakeholders (Binkhorst & Dekker, 2009). Additionally, other authors highlight the value that Co-creation provides on tackling issues and identifying potential market opportunities (Dias et al., 2021). These factors explain the strong influence of Co-creation on social self-efficacy, since the proactive involvement with local stakeholders, as well as the strategies to perceive opportunities and act upon them, greatly influence the TLEs social perception on his/her performance.

Moreover, the mediating effect of community involvement through Co-creation is also crucial, since it demonstrates the importance of Co-creation on TLEs defining traits, such as Community-Centered strategies and sustainability. In which, actively participating in communities, and pursuing sustainable ventures, through the lens of co-creating value with local stakeholders promotes the social performance of SMEs. Therefore, the importance of the cultural context on social entrepreneurial orientation is underlined (Sam Liu & Huang, 2020), in other words, it is imperative that TLEs value engagement with local communities, as it

provides them with the ability to capitalize on market opportunities and tap into valuable resources that lead to higher degrees of performance. Meaning that it is crucial for TLEs to actively develop strategies to promote integration and value Co-creation with both local communities and tourists, which augment the social drive and environmental awareness, enabling key indicators of performance.

It should be mentioned that the mediating effects of Co-creation on social performance are largely unexplored in the literature (Dias et al., 2021; Sam Liu & Huang, 2020). However, it is still interesting to explore how Co-creation shapes TLEs performance, since it is a vital construct that actively shapes TLEs competitiveness.

Interestingly, despite Community Attachment's lack of managerial implication for TLEs (Cooper, 2015), through the mediating effect of Co-creation it promotes a significant impact on social self-efficacy, thus enabling performance. Co-creation processes build upon unique networking opportunities for TLEs, as well as being the right tool for developing trust with stakeholders, whilst allowing for a greater level of involvement in developing experiences. Additionally, by blurring the barriers of providing and consuming experiences (i.e., Lifestyle is as crucial as economic viability), these entrepreneurs facilitate the process of Co-creation, and enable a proximity with tourists, which augments their competitiveness and, most importantly, their social performance.

## **6. Conclusion**

### 6.1. Theoretical contributions

This study complements the findings of the complex topic of TLEs, remaining largely unexplored despite their apparent contributions to the destination. Even though, at first TLE literature focused heavily on intrinsic factor of entrepreneurship (i.e., Personal traits such as quality of life and lifestyle). Recent research points to the importance of analyzing the external factors that promote TLEs competitiveness. Moreover, this study serves to extend the TLE literature in the tourism industry, by analyzing the mediating effect of Co-creation, which drives performance and competitiveness.

Considering the entrepreneurship literature, it aims to provide tangible contributions by actively choosing to study community involvement, which are crucial for competitive destinations, as well as a factor unique to TLEs that set them apart from other entrepreneurs. Secondly, this study integrates an underexplored dimension in innovation research, this being Co-creation, which serve as a lens through which we analyze self-efficacy and, ultimately,

performance. Meaning that by researching the mediating effects of Co-creation, it sheds new light on external factors (e.g., community involvement), while promoting a better understanding of TLEs overall performance and competitiveness. Additionally, self-efficacy is also a crucial dimension, heavily associated with performance, especially in the case for TLEs, in which performance is not merely measured economically. Therefore, it serves as a strong indicator of competitiveness and true differentiation in the tourism industry.

This study also reinforces the TLE literature by establishing the importance of Social Mission Orientation and Community Attachment on TLEs competitiveness, and their link with Co-creation. Therefore, community involvement is central to this study and an active influence on TLEs entrepreneurial outcomes. Moreover, the perspective of community involvement is much more tangible than in other studies, where the perspective is considerably less involved and active. Considering this, these constructs are integral for destination differentiation and TLEs performance. Additionally, this more active community involvement and Co-creation perspective aids in solving some of TLEs most notorious issues (e.g., Lack of managerial knowledge, Lack of strategy).

Interestingly, despite Community Attachments found to have a lack of significant impact on Co-creation, as it promotes more passive and informal connection with stakeholders. Through the mediating effect of Co-creation, it can assert a significant impact on self-efficacy. Thus, it is crucial for providing evidence for the importance of Co-creation on TLEs outcomes, especially performance, and as a mediator since it leverages competitiveness.

Lastly, considering the many contributions of this study, it should be noted that, as many other researchers concluded, the study of TLEs on the hospitality and tourism industry is vital, since it is a field with a great potential for development, which is still largely unexplored.

## 6.2. Managerial contributions

This research aims to provide crucial information, namely by empowering managers to improve their value proposition, by differentiating themselves, and consequently enhance the competitiveness of the destination. Firstly, over the years there has been a clear trend for tourists that prioritize different and sustainable experiences, those that are “off the beaten track”. These tourists are willing to pay premium and endure extended periods of time in exchange for authentic local experiences. Considering this, promoting an accurate understanding of how cooperation and community involvement promotes TLEs overall performance, through the access to distinctive local knowledge and opportunities to nurture unique experiences heavily associated with the local environment. Additionally, this constant cooperation with not only

local stakeholders, but also tourists provide entrepreneurs with valuable market information that will help them better sustain and develop their business.

Despite this, it is crucial to note that this acts as a counter trend to mass tourism, therefore entrepreneurs should be aware that targeting a specific segment of the market is what truly provides value to their service. This is where TLEs differentiate themselves, since most hospitality corporations cannot access that degree of community involvement or close cooperation, they inadvertently lack the necessary tools to act upon that segment, presenting lifestyle entrepreneurs with unique tools for differentiation.

Ultimately, it is through their active participation and involvement with local communities, as well as their close connection with the specific characteristic and lifestyle possibilities of said place that entrepreneurs can strengthen their business. TLEs are notorious for their distinctive issues, such as lack of managerial and academic knowledge, lack of planning and problems concerning operations, that restrict their business. Considering this, it is imperative to build strong support networks that promote better conditions for these entrepreneurs, especially since most TLEs reside in mostly rural areas that inhibit key market access and information. This could augment greatly their self-efficacy and overall perspective of performance of their business.

### 6.3. Limitations and suggestions for further research

It is important to note that this study is not without its limitations, and how these limitations could be addressed for future research.

Firstly, it should be mentioned that the sample obtained was a convenience sample, since acquiring data on TLEs can be challenging. Future research could seek to implement a probability sampling model, aiming to obtain a sample that is more reflective of the population.

Secondly, other aspects that promote community involvement besides Community Attachment, Community-Centered strategies and Social Mission Orientation could be explored, such as knowledge assimilation, risk aversion or context. Additionally, other outcomes beside self-efficacy could also be explored, such as innovation and willingness to stay, this could augment the importance of Co-creation and provide more insight on TLEs competitiveness and further extend the literature.

Thirdly, to provide a completer and more exploratory study, a qualitative sample could be implemented alongside a quantitative sample. With this, a better grasp on TLEs could be obtained.

Lastly, despite some previous studies concluding that Community Attachment had a positive impact on innovativeness, this study found a lack of direct relation between Community Attachment and Co-creation, which is a crucial dimension of innovation. It would be interesting if further research could explore this topic further and provide more insight on this topic.

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