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Tourism business start-up: Recognising opportunities and barriers to entry

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Abstract

Entrepreneurship and start-ups are extremely important in the tourism sector, providing ‘new blood’ to the industry in terms of innovation, sustainability and competitiveness. Despite this importance, the research dedicated to these issues is still scarce and disperse. As such, this chapter aims to explore the topic of tourism start-ups from several perspectives: theoretical underpinnings of existing research, barriers, and opportunities. It converges with the proposal of a model that integrates the dimensions of human capital, social capital, and environment, highlighting the crucial role that place plays in the development of these factors and in start-ups.

<A> 1. INTRODUCTION

In the context of tourism development, Koh and Hatten (2002) named *persona causa* to the tourism entrepreneurs due to their ability to transform local resources into tourist attractions. As such, start-ups are for tourism industry since they provide market growth and support the destination innovation (Presenza et al. 2020). For this chapter the concept of start-up was adopted from Pavlatos (2021) and represents a firm with innovative characteristics and pursue fast growing, with less than 10-years old. By being innovative, tourism entrepreneurs contribute to the development of the destination and strongly influence the shape of the destination network (Strobl & Kronenberg, 2016). Accordingly, tourism entrepreneurship is closely related to the concept of competitiveness (Fotiadis et al. 2014). An entrepreneur can be understood as business owner that recognizes and exploits business opportunities through a new or existing firm (Ye et al. 2019).

The study of start-ups will be different if we are analyzing large companies or small businesses, the latter very characteristic of the tourism business network. Larger firms, when compared with small firms, are less likely to detain innovation abilities and provide unique and memorable experiences as well the emotional involvement for tourists (Presenza et al. 2020). Large companies also show a reduced propensity to explore informal local networks (Teixeira et al., 2019) and a distinct approach to social responsibility (Wen et al. 2021).

Concerning tourism entrepreneurship, two major distinctive characteristics arise when comparing with other industries: social embeddedness (Campopiano et al. 2016) and place attachment (Dwyer et al. 2019). Accordingly, the business goals and business management for tourism entrepreneurs are most likely to be strongly influenced by social responsibility (Wen et al. 2021), environmental issues (Çakmak et al. 2019) and lifestyle

ambitions (Dias et al. 2021). In this vein, tourism entrepreneurs tend to integrate other business objectives besides economic goals, and it is expected not to find a solid start-up planning (Ahmad, 2015; Presenza et al. 2020; Dias & Silva, 2021), limiting their ability to obtain financing from traditional sources like banks (Pavlatos, 2021). Simultaneously, the majority of the start-ups in this industry are of small scale with limited own funds (Liu et al. 2021) and show scarce growth potential (Brouder & Eriksson, 2013; Dias & Patuleia, 2021), highlighting the importance of accessing external capital to start and develop the new venture. As such, the supply of capital for the new business is considered one important barrier for new ventures in tourism (Ahmad, 2015; Kim & Hall, 2020) especially considering that tourism entrepreneurs willing to use their informal network to access social resources rather financing the start-up (Teixeira et al. 2019).

Against this background, the study of tourism start-ups represents an important but under researched topic. First, because it is a complex and idiosyncratic process (Edelman & Yli-Renko, 2010), especially for most new entrants in the tourism industry, lacking managerial and business competences (Thomas et al. 2011). Second, because there are few studies focused on this topic (Fu et al. 2019; Ye et al. 2019). As such, this chapter aims to explore these gaps by systematizing previous research on barriers, opportunities and a model integrating the external and internal dimensions of tourism start-ups. By addressing the gap identified by Ye et al. (2019) regarding the lack of studies regarding environmental factors, these objectives align with the challenges proposed by Edelman and Yli-Renko (2010) and Fu et al. (2019).

<A> 2. THEORETICAL UNDERPINNINGS

As previously mentioned, tourism entrepreneurship and the start-ups phenomenon are of utmost importance for tourism industry in terms of innovation, sustainability and competitiveness. However, the research dedicated to these issues is still scarce and disperse. The theoretical background of existing tourism start-ups research reveals a lack of consensus and dispersion. Some authors use the resource dependency theory to support the collaboration between players to obtain critical resources to start a new venture (Strobl & Kronenberg 2016; Teixeira et al. 2019). Others refer to the institutional theory to explain the use and diffusion of practices among firms (Sigala 2016; Li et al. 2020). Wen et al. (2021) established an important link to embeddedness theory and attachment theory, highlighting the importance of the place in tourism star-ups. The networking theory was used by Strobl and Kronenberg (2016) to support the importance of the local network in small business development. The context dimension was captured by other authors using the contingency theory (Pavlatos, 2021), uncertainty theory (Kim & Hall 2020) or the complexity theory (Chia & Anas 2022). Not intended to be exhaustive, it is interesting the use of learning theory by Horng et al. (2021) to debate the importance of knowledge sharing and continuous learning in small tourism firms.

<A> 3. BARRIERS

The perception about quality of the start-up by investors strongly influences its intention to finance the new venture (Kim et al. 2020). Venture quality is related to the attributes of a project which are most likely to induce investors to invest resources (capital, time, human resources) (Kim & Hall 2020). Based on this assumption, financing a project constitute a main barrier that influences many others as described in this section.

 3.1. Financing

Small tourism businesses are generally poorly structured (Thomas et al. 2011) showing a lack of planning, especially in the early stages of the initiative (Ahmad, 2015) which reduces the quality perception of the new venture due to uncertainty about the future viability of the business (Kim & Hall, 2020) and raises the investor' perceived risk (Liu et al. 2021). Rodriguez-Sanchez et al. (2019) found that financing is a recurrent barrier along the entire start-up evolution and influences other barriers like accessing knowledge and hiring skillful personnel. As such, it is expected small and micro businesses start-ups to show difficulties in raising funds, pressing them to obtain capital from personal savings and family and friends' contributions (Banki & Ismail, 2015).

For this reason, financing presents itself as one of the most important barriers they pose to start-ups in tourism (Banki & Ismail, 2015; Rodriguez-Sanchez et al. 2019; Kallmuenzer et al. 2021; Chia & Anas, 2022) and to the recovery of existing firms after the pandemic (Chia & Anas 2022). The difficulty in accessing external financial capital is related to their weak asset basis and limited planning leading to high operational risks, which turns the investment in such projects uninviting (Liu et al. 2021).

 3.2. Human capital

The shortage of financial resources leads to other important barriers such as the acquisition of skilled employees (Ahmad, 2015; Rodriguez-Sanchez et al. 2019) and access to key competences for running a business (Chia & Anas, 2022). On the other hand, the lack of recognition with regard to *human capital* accumulation before starting the business generates difficulties in the early stages of the venture, embodied in the lack of skills to deal with increasingly demanding customer segments (Dias et al., 2022). Lack of *experience* alone is a barrier clearly identified in the literature (Kallmuenzer et al., 2021) and stems from the attractiveness of the industry and low barriers to entry (Thomas et al., 2011). However, the comparatively easy access to the tourism industry can cause problems for those lacking business and managerial experience as recognized by Andringa et al. (2016). They also found that these entrepreneurs tend to depend less on specialist knowledge.

Although the start-up processes are frequently agile and dynamic in tourism industry, it is expected that tourism entrepreneurs start their business with products or service not

necessarily fully developed, and with limited *knowledge integration*, which tends to progressively develop through experimentation (Rodriguez-Sanchez et al. 2019). By other words, these entrepreneurs evidence some difficulty of *planning and controlling* business activities, not only due to the lack of business experience but also due to the perceived environmental uncertainty (Pavlatos, 2021), which is highly influenced by strong competition. As stated by Horng et al. (2021) the existence of low barriers to entry into the tourism industry creates many competitors, limiting the ability to act strategically.

Due to the limited human capital available in the early stages it is expectable to a reduced interest of external funders to invest time and capital in a new venture which is affected by substantial uncertainty (Kim & Hall, 2020).

Education in topics related to management and tourism business seems to be another barrier. The attraction to the sector and a certain way of life can precipitate the entrance in business, without proper education or training (Andringa et al. 2016). Cetin et al. (2022) found that necessity driven entrepreneurs, like refugees, face language barriers and lack of recognition of educational and professional qualifications. Also, in the case of farmers willing to diversify their business, Di Domenico and Miller (2012) found that these entrepreneurs may have strong education in agriculture but not in tourism business.

<A> 4. OPPORTUNITIES

A key element of entrepreneurial behaviour is opportunity recognition. An entrepreneurial opportunity can be defined as “the potential to create more efficient or effective ways in which new goods, services, distribution can be organized and sold at more than their cost of production” (Çakmak et al. 2019, p. 2251). The ability to recognize opportunities relies on the entrepreneurs’ social interactions and learning processes (Edelman & Yli-Renko 2010).

A common denominator to many of the characteristics of the tourism entrepreneur and the context where they develop their business is place, in its dimensions of community embeddedness and place attachment, which provides them with a source of competitive advantage over large companies (Dias et al., 2021). Thus, place represents the main source of competitive advantage as it promotes differentiation through the idiosyncrasies of people, traditions, and attractions of a given location (Fotiadis et al. 2014), benefiting from the exploitation of the heterogeneity of local resources (Çakmak et al. 2019). As such, tourism small businesses are in the best position to sell local attractions and culture (Fotiadis et al. 2014) and lifestyle (Di Domenico & Miller, 2012).

Small tourism businesses are able to capitalize on their connection to place and local social capital into a competitive advantage (Dias et al. 2022a). Strobl and Kronenberg (2016) argue small tourism firms can benefit from networks that provide a basis for complementing resources for exploiting business opportunities. By being embedded locally they benefit not only from local resources but also from an emotional identification and attachment to the place (Wen et al. 2021). Thus, the fragmentation of small in the tourism destination, apparently a disadvantage, turns out to be a source of opportunities for several reasons. First, because it stimulates collaboration between tourism businesses to generate a system of new products (Strobl & Kronenberg, 2016) that benefit from the existing heterogeneity in the local network (Çakmak et al. 2019). Second, because the network creates influences on other entrepreneurs through not only

the spillover effect (Dias et al. 2022a) but also acting as potential triggers for launching initiatives (Strobl & Kronenberg, 2016) and integrated promotion (Campopiano et al. 2016). Third, because collaboration makes it possible to pool complementary resources to achieve critical mass for a more efficient approach to the market (Strobl & Kronenberg, 2016), an essential requirement for the success of start-ups, particularly in the growth phase (Hallak et al. 2015).

On another point of view, this cooperation generates networking, recognized as a source of opportunities for new ventures in tourism. In this context, social capital is a significant factor in achieving competitive advantage (Campopiano et al. 2016) supported by networking and local knowledge (Dias et al. 2021). In the early stages, social capital relies largely on family and friends (F&F) and gains value as entrepreneur increasingly draws on it (Çakmak et al. 2019). Family and friends also play an important role in funding in the early stages of the startup, especially when access to traditional sources of capital is difficult (Banki & Ismail, 2015). The connection to the local network also fosters crowdfunding processes as well and dissemination initiatives through e-word of mouth (Kim & Hall, 2020).

Networking also has a stimulating effect on the creation of new tourism ventures. Li et al. (2020) found that the mere fact of knowing other entrepreneurs can generate positive attitudes towards entrepreneurship. At this level, the place presents an enhancing factor of this effect, increasing the possibility of encounters (Campopiano et al. 2016). Wen et al. (2021) recognize that local embeddedness stimulates a more responsible attitude of entrepreneurs, especially when there is a strong identification and place attachment.

The fact that tourism start-ups are associated with unstructured businesses and with business models oriented to objectives that are not necessarily economic (Dias et al. 2021) is a factor that increases the difficulty of these ventures to access funding. Effectively, the quality of the venture is essential to spark the attention of investors, a quality that is measured by the level of certainty regarding the likelihood of business evolution (Kim & Hall, 2020).

The literature recognizes that local social capital can contribute to reduce this level of uncertainty by sharing business-relevant knowledge (Rodriguez-Sanchez et al. 2019) and allow greater flexibility in the context of uncertainty (Di Domenico & Miller, 2012; Chia & Anas, 2022). However, Ahmad (2015) recognizes that it is not a sufficient condition, and the exploitation of knowledge resources will be enhanced by a greater entrepreneurial orientation associated with a more proactive attitude of entrepreneurs. In this context, Sigala (2016) points to the importance of *market pictures*. She associates market pictures with a creative process linked to cultural debates and cognitive learning among market actors and that enable the entrepreneur to develop a visionary and disruptive attitude towards prevailing market practices.

Along with social capital, human capital may be another source of opportunities for tourism start-ups. Kallmuenzer et al. (2021) highlight the combination of several resources of human capital (managerial experience, education, venture experience) for business growth, which vary according to the stage of start-up implementation. As such, start-ups facing human capital limitations can benefit from at least one of those resources (Kallmuenzer et al., 2021). Human capital is an essential ingredient for both entrepreneurs who are opportunity seekers (Chia & Anas, 2022) and necessity-driven, such as refugees

(Cetin et al. 2022). Human capital is further enhanced by education and access to skilled personnel (Fotiadis et al. 2014).

Another important dimension of human capital is creativity. Although entrepreneur can benefit from knowledge related to existing, the outcome will be related to the identification and exploitation of market opportunities related to the current market practices (Sigala, 2016). Instead, Sigala (2016) suggests that entrepreneurs must promote market changes and follow a proactive transformation of the markets through cognitive learning of cultural discourses and sense-making processes. The proactivity should also be considered in a broader perspective. Ahmad (2015) argues that entrepreneurs must influence government and policymakers regarding a more active promotion of the tourism sector.

In terms of financing, a form that has been gaining increasing expression are venture capitalists who not only provide access to financing but also to knowledge and networking (Liu et al. 2021) and a greater degree of sophistication and planning and support for management decisions (Kim & Hall, 2020). Diversification of the activity is one important path to alleviate economic pressure. However, besides its importance in financing the business, the reasons for diversification are also associated with the place, such as lifestyle pursuit and desire to inform visitors about their way of life and traditions (Di Domenico & Miller, 2012).

<A> 5 AN INTEGRATIVE MODEL

Based on previous sections an integrative model can be proposed. In figure 1 are depicted the three groups of factors, the main phases of start-up development and the specific elements of tourism industry related to the role of place. Although these elements could be integrated in some aspects of the personal and environmental dimensions, for their importance, they deserve a separated analysis. The following sub-sections provide a more detailed description of each group of factors.

===== Insert Fig 1 about here =====

Figure 1. Tourism business start-up integrative model

** 5.1. Personal factors and Human Capital**

The personal factors represent one important ingredient for the entrepreneur's willingness to start a new venture. The impact of personal factors constituted by the entrepreneur *traits and capabilities* is an important antecedent of entrepreneurial intention (Ye et al. 2019). This argument is rooted in the human capital theory. Ahmad (2015) found that entrepreneurs were relatively young or middle aged with secondary or higher education levels. His study about tourism entrepreneurs in United Arab Emirates identified the

following traits: sense of commitment, need for achievement, tolerance for ambiguity, creativity and innovativeness. Regarding the motivations he found were financial independence and desire to be their own bosses; work without somebody in authority over them; to be continuously involved in the family business. Presenza et al. (2020) also identified several personal characteristics as narcissism, conscientiousness, neuroticism and internal locus of control. Furthermore, they observed that some personality traits are more related to innovativeness and start-up success. Kallmuenzer et al. (2021) defends that is incorrect trying to identify a unique trait of human capital variable leading to superior entrepreneurial performance. Instead, they argue that several combinations of personal characteristics can be identified according to the entrepreneur background and provenience.

Other personal characteristics are integrated in the concept of human capital. Ye et al. (2019) report employed working experience, education level, and industry-specific know-how as important elements of an entrepreneur human capital. Brouder and Eriksson (2013) explored the importance of previous experience. They found that entrepreneurs with work experience in tourism related sectors are more capable to develop their business. The same applies to local experience. However, they also reveal that new firms operating in tourism specialized areas are not necessarily more competitive. Kallmuenzer et al. (2021) divided entrepreneurs into necessity- and opportunity-based. The first the most important element of human capital is tourism industry experience, while in the former, the more relevant feature is managerial experience.

Other capabilities are also associated with the willingness to create a new venture in tourism and firm growth. For example, Horng et al. (2021) highlights the importance of *entrepreneurial orientation* as well the development of a *knowledge sharing* and *continuous learning culture* within the firm. They argue that, in order to respond to market changes, entrepreneurs should invest in the development of intellectual capital and innovation capabilities based on organizational. In the same vein, Sigala (2016) addresses the 'learning with the market' capability to generate value added strategies based networking and inter-relations ties with other players. As a results, entrepreneurs are more capable of acquiring or sharing resources, and eventually influence the market practices.

Other dimensions should also be considered such as the *experience*. Although tourism industry is known to be more accessible with lower entry barriers than other sectors, experience still represents an important antecedent of the new venture performance (Brouder & Eriksson 2013). *Education* is another important dimension (Ye et al. 2019).

Finally, the *entrepreneurial motivations* associated to the change to business ownership. Andringa et al. (2016) found that it is expected to find mixed feelings since the entrepreneur experience the sensation of a life being left behind. They also found that tourism entrepreneurs are motivated not only with financial rewards but also status, respect in a community, and autonomy. Other entrepreneurs are attracted to tourism by lifestyle motivations (Dias et al., 2021) with the desire for a better way of life (Andringa et al. 2016). This group of entrepreneurs was found to be very expressive (Dias & Patuleia, 2021).

** 5.2. Social Capital**

Considering the social capital theory, the social ties established by the entrepreneur contribute to its ability to recognize and exploit business opportunities (Ye et al. 2019). As such, as argued by Zhao et al. (2011) social capital is the most important antecedent of tourism entrepreneurship. In the start-up stage, entrepreneurs in the tourism industry (and in others) have limited resources. As such, the tendency is to rely on informal networks at this initial stage by turning to the family and friends, primarily as moral support (Teixeira et al. 2019). These closer relationships are important because entrepreneurs seek personal, trusting and understanding relationships (Strobl & Kronenberg 2016). Campopiano et al. (2016) found that the family acts as the most important reference in terms of fostering entrepreneurship. The influence of the family is observable in the development of bonding and bridging social capital, and by nurturing more environmentally friendly attitudes.

Brouder and Eriksson (2013) posit the local experience is important for start-ups success. As such, the availability of local networks is an important resource which can be achieved through cooperation with other entrepreneurs in their network who possesses complementary experiences (Rodriguez-Sanchez et al. 2019; Wen et al. 2021). According to the homophily theory, it is more likely to expect cooperation between similar entrepreneurs than among dissimilar players (Liu et al. 2021), highlighting the role of the place in network building. In fact, tourism entrepreneurs are excellent performers in establishing strong connections with others in the same place (Wen et al. 2021).

The importance and source of social capital is dynamic and evolves along the start-up's growth process. As mentioned, Teixeira et al. (2019) considers the importance of the family for moral support. Çakmak et al. (2019) found that cultural and symbolic capital are more important in early stages, and economic and social capital tend to be more salient in consolidation stage. At this stage, Teixeira et al. (2019) also found entrepreneurs rely more on weak social links established with formal institutions. This links includes integrating local competitors into the network, which contributes to strengthen the tourism destination (Strobl & Kronenberg 2016) and creates a valuable co-opetition network (Lechner & Dowling, 2003). By other words, tourism entrepreneurial networks shift along time from local ties to industry-specific partners to non-local ties outside the industry (Strobl & Kronenberg 2016).

The evolution of the social capital sources was also studied by Rodriguez-Sanchez et al. (2019). They found that, although a significant part of tourism innovation is the result of imported knowledge from other industries, the innovation process in this industry demands knowledge of tourism. In their study most of the participants didn't have a tourism background, solving the lack of experience progressively through experimentation.

Due to importance of networking and social capital to compete in the tourism industry (Sigala 2016), homophily seems to be an important characteristic of tourism entrepreneurs (Liu et al. 2021) since it increases the likelihood of tie formation. As such, although there is a shift from local to non-local partnerships, local ties are always important in entrepreneurial network (Strobl & Kronenberg 2016). Teixeira et al. (2019) divides the ties into (i) strong ties based personal networks such as family and friends;

and (ii) weak ties related to business networks (e.g., banks, clients, or suppliers). Within strong ties, the family constitutes a fundamental institution driving entrepreneurship (Campopiano et al. 2016) and solidifies the dream capital that contributes to create new products or services to exploit a market opportunity and promotes the evolution into more advanced stages of the start-up (Çakmak et al. 2019). The close but more structured concept of market pictures (Sigala 2016) also proposes a more proactive and disruptive approach through cognitive learning among market actors to shape the market.

Horng et al. (2021) propose that social capital can be enhanced through organizational learning and can be implemented by stimulating knowledge sharing among employees and developing a learning culture, actions expected to increase intellectual capital and innovation capabilities.

** 5.3. Environment**

The implementation of a tourism start-up cannot be fully understood without considering the external environment (Li et al. 2020). One good example of this is the COVID-19 pandemic that caused a disruptive context with particularly strong impact in the tourism industry (Dias et al. 2022b). Chia and Anas (2022) analyzed the effect of the pandemic in small tourism firms, revealing that although they were generally unprepared for the COVID-19 crisis they responded dynamically to these dramatic changes in the environment. They also found that small firms were able to deal with uncertainty as part of the business process.

Ye et al. (2019) argue that environmental factors determine the existence of market opportunities, but, at the same time poses an important challenge to small tourism businesses by increasing the difficulty of planning and controlling (Pavlatos 2021). Other authors defend that environmental dynamism stimulates environmental interpretation and sense making, thus contributing to identify unmet customer need and challenge industry incumbents (Edelman & Yli-Renko 2010). By monitoring the environment, entrepreneurs are in a better situation to access valuable and rare resources (Horng et al. 2021) by building interpersonal ties with market stakeholders (Strobl & Kronenberg 2016).

The environmental dimension is very wide and composed by market, political, natural and geographical conditions (Ye et al. 2019) and clients, employees, distributors and other stakeholders (e.g., DMOs, suppliers, financial institutions) (Strobl & Kronenberg 2016). In most destinations and countries, the most prominent entity in the environmental dimension is the government (Brouder & Eriksson 2013). It is expected that governmental policymaking contributes to influence positively individuals' entrepreneurship behaviors in the tourism sector. However, a general approach to entrepreneurship is counterproductive since several segments of entrepreneurs claim different approaches (Li et al. 2020).

The promotion of the tourism sector is traditional request of tourism entrepreneurs (Ahmad 2015). However, other interventions are also expected at policy level. As such, the government can play an important and direct role through training, mentoring and

education, contributing to the development of entrepreneurs' skills and capabilities, improving the confidence in starting (Li et al. 2020) and to foster networking and knowledge transfer (Brouder & Eriksson 2013). Another important role of governmental institutions is to provide funding or micro-funding to small tourism business, especially intervening in the banking programs (Banki & Ismail 2015) or through economic stimulus packages and subsidies to ease the financial burden (Chia & Anas 2022).

The intervention of the government can also be considered at the community level by stimulating the organization of social gatherings for experience exchange between entrepreneurs or holding friendship activities between entrepreneurs that enhance their contributions to the local community (Wen et al. 2021).

In the response to the crisis, the role of the government was highlighted by several authors (Brouder & Eriksson 2013; Wen et al. 2021; Dias et al. 2022b). In the context of start-ups, we must look beyond the crises and see the role of the government in a broader perspective. Considering the key role of the place in many tourism businesses, Wen et al. (2021) argues that local government should adopt policies contributing to enhance place embeddedness and motivate social and environmental attitudes. Li et al. (2020) reinforces the importance of the government (through regulation) but also other institutions. They found that the effect is non-linear when considering necessity or opportunity-based entrepreneurship. For example, Cetin et al. (2022) studied refugee entrepreneurs (necessity-based entrepreneurs) and found contextual and individual entrepreneurial motives have a strong influence on perceived entrepreneurial success.

The model proposed by Ye et al. (2019) consider three levels of influence: personal, interpersonal and environmental factors. The last two factors tend to contribute to managerial growth, while the personal factors are more related to entrepreneurial growth. In their model, interpersonal factors influence growth through scale economies, while environmental factors encourage managerial growth through higher capital and labor intensiveness. The underlying reason could be: while increasing accommodation capacity is largely dependent on support from social networks, the choice of how to grow the business is an individual decision dependent on the preference and capability of the entrepreneurs themselves.

Ye et al. (2019)

** 5.4. The place**

Edelman and Yli-Renko (2010) found that, by interpreting and making sense of the local environment, the process of opportunity recognition and resource acquisition is enhanced, influencing the entrepreneur's perception towards investing in a new venture. Wen et al. (2021) found that entrepreneurs with strong community embeddedness and place attachment are more likely to adopt social responsibility actions will be motivated to act responsibly towards local stakeholders.

The place has been also considered a source of competitiveness by providing unique and tacit local knowledge (Dias et al. 2021), providing entrepreneurs with differentiation assets that larger firms experience difficulties in accessing and exploiting in their business model (Dias & Patuleia, 2021). In fact, by being an insider in local society, small tourism

firms are more able to capitalize on the local knowledge base (Thomas et al. 2011) and improve their integration within local community and benefit from the local network (Wen et al. 2021). Çakmak et al. (2019) illustrates very well the processes of transformation within this small firms, proposing the concept of dream capital consisting of the integration of passion, ideas, expectations, dreams, wishes, hopes, and emotions.

<A> 6. CONCLUSIONS

This chapter covers a theme scarcely investigated in the tourism literature. First, it seeks to systematize the main barriers to start-ups, verifying that the difficulty in accessing capital is related to the "amateur" character of many entrepreneurs, which discourages both traditional financiers such as banks and venture capitalists due to poor planning skills. In turn, lack of capital combined with lack of experience in the industry leads to other barriers such as lack of skills or other components of human capital.

Secondly this study looks at the opportunities facing start-ups in tourism, finding that the tourism destination environment provides several opportunities, very much linked to the idiosyncrasy of the place, as argued by Ye et al. (2019) and Dias et al. (2021). This study highlights the importance of place attachment and place embeddedness as essential elements to develop local and non-local networks that foster new product development, innovation, and joint promotion.

Third, it proposes an integrative model to explain the development of start-ups in the specific context of tourism. By doing so, the proposed model extends Fu et al.'s (2019) model. Their model includes as antecedent variables of entrepreneurship two dimensions: personal aspect of the entrepreneur and the destination environment. The proposed model adds the dimension of the place and establish a link to the start-ups development model.

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