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Opportunity-oriented entrepreneurial identity and innovation orientation in lifestyle-oriented tourism ventures

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ABSTRACT

Lifestyle entrepreneurs are recognized as important actors in tourism economies, particularly through their locally embedded practices, personal values, and contributions to distinctive visitor experiences. However, the relationships between lifestyle-oriented entrepreneurial characteristics, local practices, community integration, and innovation orientation remain empirically underexplored. The empirical model tests how opportunity-oriented entrepreneurial identity, local hiring, local business collaboration, local supply, and community integration are associated with self-reported innovation orientation. Findings show that opportunity-oriented entrepreneurial identity is strongly and positively associated with self-reported innovation orientation. Local hiring and local business collaboration are positively associated with community integration. The study contributes by offering a more precise account of how an opportunity-oriented identity is related to innovation orientation among small tourism entrepreneurs with lifestyle-oriented profiles. The findings should be interpreted as applying to this purposive sample and to self-reported innovation orientation, rather than to objectively measured innovation outputs or confirmed community development outcomes.

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Lifestyle entrepreneurship; tourism entrepreneurship; opportunity-oriented identity; innovation orientation; community integration

Introduction

Lifestyle entrepreneurs are increasingly recognized as pivotal actors in the tourism economy, shaping the social and cultural vibrancy of destinations far beyond their economic footprint. In this study, tourism lifestyle entrepreneurs are defined as founders or owner-managers of small tourism-related ventures who create and operate their businesses primarily to sustain a desired way of life, express personal values, and maintain a meaningful relationship with a specific place, activity, or community, rather than pursuing growth or profit maximization as their dominant objective. This does not imply that economic viability is irrelevant; rather, financial goals are typically balanced with non-economic aspirations such as autonomy, quality of life, place attachment, personal fulfilment, and contribution to the local community (Ateljevic & Doorne, 2000; Ivanycheva et al., 2024). In tourism, these entrepreneurs are commonly associated with small-scale accommodation, agritourism, food, cultural, nature-based, or experience-oriented ventures that draw upon local resources and personal passions to create distinctive visitor experiences (Carson & Carson, 2018; Dias et al., 2020).

Existing research on lifestyle entrepreneurship has extensively documented the motivations that drive individuals to create tourism ventures, emphasizing personal fulfillment, autonomy (Peters et al., 2009), and strong connections to place and community (Marchant & Mottiar, 2011). They are also associated with pursuing goals that extend beyond purely economic performance (Ivanycheva et al., 2024). The literature has also highlighted that lifestyle entrepreneurs often embed their businesses within local contexts, and that this constitutes a source of differentiation and innovation (Carson & Carson, 2018; Dias et al., 2020). However, much less is known about how these identity-driven motivations translate into concrete entrepreneurial behaviors within the firm, particularly with respect to innovation. In other words, while prior studies have described who lifestyle entrepreneurs are and what motivates them, the mechanisms through which iden-

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tity influences strategic and creative actions in their ventures remain underexplored. The assumption that small firms significantly contribute to local economies remains open to empirical testing (Thomas et al., 2011). Furthermore, while their strong link to place is acknowledged (Kibler et al., 2015), the specific mechanisms through which this embeddedness, and related concepts like identity and authenticity (Ivanycheva et al., 2024), translate into innovative outcomes are not well understood (Dias & Silva, 2021b; Mottiar, 2007).

While lifestyle entrepreneurship has frequently been discussed in relation to local development and community transformation (Marchant & Mottiar, 2011), the present study focuses more specifically on the internal orientations and behaviours of entrepreneurs operating in tourism contexts. Rather than measuring community development outcomes directly, the study examines how entrepreneurs' identity and their integration within the local context relate to their orientation towards innovation within their ventures. Community integration is therefore conceptualized as the degree to which entrepreneurs perceive themselves as embedded within local social and economic networks, while innovation reflects the entrepreneur's orientation towards creativity, experimentation, and the development of new ideas within the business. This narrower focus allows the study to examine the micro-level mechanisms through which lifestyle entrepreneurs may shape their ventures and potentially contribute to broader local dynamics (Ateljevic & Doorne, 2000; Peters et al., 2009).

The study is positioned within broader debates on lifestyle entrepreneurship, innovation, and local development in tourism. It examines how local practices, community integration, and opportunity-oriented entrepreneurial identity are associated with innovation orientation among small tourism entrepreneurs whose profiles are consistent with lifestyle entrepreneurship. The central research questions are therefore: 'How are local practices associated with community integration?'; 'Is community integration associated with innovation orientation?'; and 'How is opportunity-oriented entrepreneurial identity associated with innovation orientation?'

To ensure conceptual clarity, the empirical scope of the study is defined through four main constructs. First, opportunity-oriented entrepreneurial identity refers to the extent to which entrepreneurs understand their entrepreneurial role through opportunity recognition, problem solving, idea exploration, and venture development. This construct is grounded in entrepreneurial identity theory but is not treated as a broad measure of entrepreneurial identity. Second, self-reported innovation orientation refers to respondents' perceptions that their ventures introduce improvements, use creative operational methods, and seek new ways of doing things. It does not measure objective innovation outputs or externally assessed novelty. Third, community integration refers to civic and responsibility-oriented local involvement, including participation in local initiatives and collaboration with local actors. It does not measure deep relational embeddedness, network quality, social capital, or emotional place attachment. Finally, local hiring, local business collaboration, and local supply are treated as concrete local-practice indicators rather than comprehensive measures of local embeddedness.

The study adopts a quantitative approach, analyzing survey data from tourism entrepreneurs in Italy. The Italian context is particularly appropriate for investigating tourism lifestyle entrepreneurship because tourism plays a central role in the national economy and is strongly connected to the country's territorial diversity, cultural heritage, rural landscapes, and locally rooted hospitality traditions (ISTAT, 2023; ISTAT, 2025). Moreover, the Italian tourism sector is characterized by a large presence of small, family-owned, owner-managed, and place-based enterprises, which closely resemble the organizational profiles commonly associated with lifestyle entrepreneurship (Getz & Carlsen, 2000; Morrison, 2006). This is especially visible in rural and peripheral tourism contexts, including agritourism and small accommodation businesses, where entrepreneurs often combine economic activity with personal fulfilment, attachment to place, local resource use, and community-oriented values. Italy therefore offers a relevant empirical setting in which to examine how opportunity-oriented entrepreneurial identity, local practices, and community integration interact in shaping innovation among tourism lifestyle entrepreneurs. The primary contribution of this research lies in its integrated, quantitative assessment of how opportunity-oriented entrepreneurial identity, local practices, and community integration are associated with innovation orientation among tourism lifestyle entrepreneurs.

Theoretical framework

Lifestyle entrepreneurship

Scholarly work identifies several motivational antecedents, broadly categorizing ventures as activity-driven, expression-driven, or location-driven (Ivanycheva et al., 2024). Activity-driven founders build businesses around hobbies or passions (Carson & Carson, 2018), while expression-driven entrepreneurs are often motivated by craftsmanship. Location-driven individuals are primarily motivated by a desire to live in a specific, meaningful place, often seeking a better work-life balance (Ateljevic & Doorne, 2000; Getz & Carlsen, 2000; Marchant & Mottiar, 2011). This prioritization of non-economic goals, including the association with small family businesses (Morrison, 2006), fundamentally differentiates their business logic from traditional entrepreneurship.

A significant contribution of lifestyle entrepreneurs lies in their capacity to enhance the attractiveness and uniqueness of tourism destinations through the development of niche products and experiences (Carson & Carson, 2018; Dias et al., 2020). Ventures such as farm-to-table agritourism, artisan workshops, or small-scale lodgings centered on local heritage diversify the tourism offer (Ivanycheva et al., 2024; Wang et al., 2019). These tailored offerings add value to the local community by supporting cultural vibrancy and sustainable development (Carson & Carson, 2018; Dias & Silva, 2021b). This deep connection to the local area, combined with an emphasis on personalized experiences, provides a distinct competitive advantage over larger, standardized firms (Carlsen et al., 2008; Kibler et al., 2015).

Lifestyle entrepreneurs often demonstrate a close engagement with their host communities, which fosters a more balanced and sustainable approach to destination development compared to mass-market models (Antunes et al., 2023; Duarte et al., 2023). This embeddedness encourages socially inclusive practices and aligns with environmentally conscious values (Antunes et al., 2023). By strategically utilizing local resources, knowledge, and heritage (Dias, Silva, et al., 2021; Korsgaard et al., 2015), these entrepreneurs can support the revitalization of rural or peripheral areas (Dias & Silva, 2021b). Their operations often create local jobs, stimulate local supply chains, and reinforce place-based identity, positioning them as active contributors to community well-being and sustainable regional transformation (Morrison, 2006; Wang et al., 2019).

While subsequent sections explore innovation and identity in detail, it is crucial to establish that within lifestyle entrepreneurship, innovation often emerges from the creative combination of resources and the entrepreneur's subjective interpretation of opportunities (Yachin, 2019). Identity is central, as these individuals are engaged in activities that hold deep personal meaning, which in turn predicts entrepreneurial behaviors and decisions (Belchior & Castro-Silva, 2023; Mmbaga et al., 2020). Consequently, satisfaction is not measured solely by financial outcomes but by the achievement of a desired lifestyle (Bredvold & Skålén, 2016; Getz & Carlsen, 2000). It is this deep personal connection to the venture, whether for a place, a hobby, or a lifestyle, that serves as the core driver for their unique form of value creation (Dias, González-Rodríguez, et al., 2021; Ivanycheva et al., 2024).

Local supply chains and community integration

The motives driving entrepreneurs are thought to impact on the type of venture they create and the way they operate it. This also means it has an impact on the types of resources they acquire and, on their community-oriented value creation (Korsgaard et al., 2015).

Research highlights that lifestyle entrepreneurs are significantly involved in the local community, and their activities are positive contributions to the local area in terms of employment, local trade, and strengthening the regional tourism identity (Bosworth & Farrell, 2011). They are believed to have the potential to contribute to the local community by hiring and buying locally, meaning they can play an important role in the development of the destination by retaining locally the money earned by the business (Dias et al., 2020; Jack & Anderson, 2002). Morrison (2006) advocates the potential power of small family tourism businesses to support social and economic development in the communities they are located in, through generating employment opportunities, offering services, and sourcing goods and services from local suppliers and community-based trades. Building on this, Wang et al. (2019) demonstrate that lifestyle-oriented motivations often translate into socially responsible behaviors, such as sourcing from local suppliers, supporting

community events, or protecting cultural and environmental resources. These practices reinforce the fact that local integration is not merely a strategic choice, but also an outcome of entrepreneurs' values and lifestyle priorities.

Jack and Anderson (2002) identified potential for researching the role of social capital in fostering local embeddedness along with the capacity of networks to serve as a mechanism for achieving this embeddedness. Social capital refers to the resources that individuals can derive from their participation in social networks and structures (Lin et al., 2001, 2017) and it contributes to community engagement through the acquisition of resources and information (Arnott et al., 2021). The concept of social capital encompasses the presence of valuable resources within a social context, the individual's ability to access these resources, and the capacity to utilize them effectively to pursue goals (Lin et al., 2001). This links to Jack and Anderson (2002), stating that social capital is a process: it refers both to the outcome and to the medium, and it consists in constructing bridges.

Bosworth and Farrell (2011) found that community integration, as an expression of social capital, often translates into a commitment to engage with and support other local neighboring businesses. In this study, community integration refers to the extent to which entrepreneurs perceive themselves as having a sense of responsibility and engagement toward the local community in which their ventures operate. This concept should be distinguished from related constructs such as social capital, structural embeddedness, or place attachment. Social capital and embeddedness typically emphasize the structure and strength of network ties within local economic and social systems (Lin et al., 2001), while place attachment focuses on emotional bonds with a specific location (Ateljevic & Doorne, 2000). By contrast, the construct employed in this study primarily captures a civic and responsibility-oriented orientation toward the community, reflecting the degree to which entrepreneurs feel connected to and accountable for the well-being of the local context (Peters et al., 2009). This distinction is particularly relevant in lifestyle entrepreneurship, where entrepreneurs often prioritize community values, authenticity, and local engagement alongside personal fulfillment (Marchant & Mottiar, 2011).

In the present study, community integration is therefore understood in a relatively narrow sense as civic and responsibility-oriented local involvement. It captures the extent to which entrepreneurs report participating in local events, collaborating with local actors, supporting local initiatives, and engaging with the local community. This operationalization is distinct from deeper forms of relational embeddedness, such as the strength, density, reciprocity, or strategic quality of local networks. It is also distinct from emotional place attachment, which refers to affective bonds with a specific location, and from social capital, which emphasizes access to resources through network structures (Jack & Anderson, 2002; Kibler et al., 2015; Lin et al., 2001).

The research conducted by Griggio and Oxenswärdh (2021) found that several lifestyle entrepreneurs emphasize the importance of building long-lasting networks with local producers and stakeholders, recognizing these collaborations as a key step towards developing sustainable and community-oriented ventures. While previous research highlights that lifestyle entrepreneurs are often embedded in the local business environment, most findings remain exploratory (Mottiar, 2007). With the growing presence of these actors in tourism destinations, it is essential to further investigate how their practices, such as hiring local workers, sourcing local suppliers, and collaborating with other businesses, affect their integration into the local community. Building on this gap, the present study proposes the following hypotheses:

H1: *local hiring, collaboration with businesses, and supply, positively influence the community integration of lifestyle entrepreneurs.*
H1a: *the employment of local workers influences the community integration of lifestyle entrepreneurs.*
H1b: *the collaboration with other local businesses influences the community integration of lifestyle entrepreneurs.*
H1c: *sourcing inputs from local suppliers influences the community integration of lifestyle entrepreneurs.*

Hypothesis 1 encompasses local hiring, local supply, and local collaborations with other businesses, and assumes their positive influence on the community integration of lifestyle entrepreneurs. The analysis will consider the three variables of local work, local business collaboration, and local supply as separate hypotheses respectively in H1a, H1b, and H1c.

Innovation and community integration

In the literature, lifestyle ventures are described as making modest reinvestments to stay competitive (Morris et al., 2018). At the same time, it is strongly believed these actors have less interest in growing their businesses compared to profit-oriented entrepreneurs (Fu et al., 2019; Thomas et al., 2011). Because of the motives that lead them to establishing the venture, they are found to play a key role in fostering innovation within destinations by offering unique products or services, while also contributing to the diversification and broader development of the local tourism offer (Bosworth & Farrell, 2011; Fu et al., 2019). Research highlights that innovation among tourism lifestyle entrepreneurs is not only influenced by economic goals, but is often driven by personal satisfaction, creativity, and the lifestyle they pursue (Dias & Silva, 2021b; Dias et al., 2020). From this we could consequently argue that, while lifestyle entrepreneurs might not make substantial financial investments in business expansion or infrastructure (Morris et al., 2018), the innovation they bring emerges from their creative adaptation to local resources, a deep understanding of the destination, personal passions, and the desire to offer meaningful experiences rather than from scale-oriented strategies (Dias, Silva, et al., 2021).

Lifestyle entrepreneurs are more likely to provide visitors with authentic and original experiences rooted in the local context, forming the basis for both innovation and differentiation within their businesses (Dias et al., 2020; Kibler et al., 2015). Dias, González-Rodríguez, et al. (2021) conclude indeed that 'community attachment has a positive influence on entrepreneurial self-efficacy, innovation and willingness to stay' (p. 701). Local embeddedness allows entrepreneurs to perceive and respond to context-specific opportunities that may not be visible to outsiders. Their understanding of the local structure, made possible through networks and interpersonal relationships, fosters a form of contextual innovation (Jack & Anderson, 2002). Carson and Carson (2018) highlight the same, especially for location-driven lifestyle entrepreneurs, arguing that they are better able to turn local assets into commercial products compared to other businesses (Carson & Carson, 2018; Ivanycheva et al., 2024).

The work of literature review by Ivanycheva et al. (2024) on lifestyle entrepreneurship, gathered the knowledge that lifestyle entrepreneurs often prioritize collaboration over rivalry with one another, compared to the depiction of traditional entrepreneurship (Ateljevic & Doorne, 2000; Ivanycheva et al., 2024). This might be due to the personal principles that guide their businesses or the distinctive nature of the offerings they bring to the market (Ivanycheva et al., 2024). Social connections not only facilitate their integration but also serve as a foundation for trust, reciprocity, and collaboration, which are essential to sustaining innovative practices and long-term engagement with the local economy (Jack & Anderson, 2002). These entrepreneurs often develop products in collaboration with other businesses which are innovative and often reflect the local cultural heritage (Dias, Silva, et al., 2021).

Prior research suggests that local embeddedness, community attachment, and local networks may contribute to innovation by providing access to knowledge, legitimacy, collaborative opportunities, and context-specific resources (Bosworth & Farrell, 2011; Dias & Silva, 2021b; Dias, Silva, et al., 2021; Jack & Anderson, 2002). However, the present study does not measure local embeddedness or place attachment in this broader sense. Instead, it examines a narrower community-integration construct focused on civic and responsibility-oriented local involvement. Accordingly, the hypothesis tests whether this specific form of community integration is associated with self-reported innovation orientation:

H2: *Community integration is positively associated with self-reported innovation orientation.*

Opportunity-oriented entrepreneurial identity and innovation

Passion is the core and reason to exist of lifestyle entrepreneurs, whether it is for a place, a hobby, or a lifestyle (Ivanycheva et al., 2024). The establishment of a business that aligns with personal values, offers autonomy, and provides a sense of fulfillment is often their main purpose. For many lifestyle entrepreneurs, entrepreneurship becomes an end in itself (Ateljevic & Doorne, 2000; Ivanycheva et al., 2024; Peters et al., 2009).

Entrepreneurial identity, as conceptualised by Cardon et al. (2013), is rooted in the central roles entrepreneurs claim for themselves, such as inventor, founder, or developer. The passion associated with these roles fosters intense positive feelings and intrinsic motivation, which, in turn, can drive persistence,

creativity, and opportunity recognition (Cardon et al., 2013). This passion reflects not only strong emotional engagement, but also a deep personal connection to the activities that define these roles (Cardon et al., 2009). Unlike employees, who tend to identify with the organizations they work for, many entrepreneurs are instead identified through their ventures (Mmbaga et al., 2020). This strong alignment between self-identity and business purpose can serve as an important element for innovation, with lifestyle entrepreneurs frequently acting as initiators of novel products and services in tourism (Ateljevic & Doorne, 2000; Cardon et al., 2013).

At the same time, lifestyle and family-run businesses are often described as risk-averse and lack strong growth ambitions (Getz & Carlsen, 2000; Morrison, 2006). Yet, their commitment to supporting the household or preserving their lifestyle encourages them to pursue alternative forms of entrepreneurship, developing distinctive comparative advantages that enable survival and differentiation (Bosworth & Farrell, 2011). In this sense, even when growth is not the primary goal, innovation may arise through small-scale adjustments, creative uses of resources, and a strong emphasis on authenticity (Bosworth & Farrell, 2011; Dias, Silva, et al., 2021).

An identity-based perspective highlights that entrepreneurs are not just business founders but people driven by activities that hold deep personal meaning, which helps explain their distinctive motivations and choices (Mmbaga et al., 2020). Because identity shapes not only how opportunities are perceived but also how entrepreneurs act upon them, it directly influences innovation outcomes and behaviors (Belchior & Castro-Silva, 2023). This connection is particularly important for lifestyle entrepreneurs, who often operate in uncertain and less structured environments, where identity may represent a central point for guiding action and a source of persistence (Belchior & Castro-Silva, 2023; Mmbaga et al., 2020).

According to Korsgaard et al. (2015), entrepreneurship 'can be understood as the recombination of resources to generate value' (p. 10), with lifestyle entrepreneurs often demonstrating an openness to different value dimensions: economic, social, cultural, and environmental (Anderson & Jack, 2002; Dias & Silva, 2021a; Korsgaard et al., 2015). The construction of entrepreneurial identity may vary, with some entrepreneurs deliberately embracing the role of founder or business owner, while others gradually develop their identity through hobbies or part-time activities that evolve into full-time ventures (Mmbaga et al., 2020). These kinds of entrepreneurs rarely start with explicit business ambitions, but discover entrepreneurial opportunities through experimentation, eventually realizing that their activity can be commercialized (Shah & Tripsas, 2007). Lifestyle entrepreneurs may develop their role identity even unintentionally, by for instance transforming hobbies or personal passions into entrepreneurial ventures (Mmbaga et al., 2020; Shah & Tripsas, 2007). The process of constructing an entrepreneurial identity is indeed a dynamic one (Bredvold & Skålén, 2016) which can also be influenced by social ties and group memberships (Mmbaga et al., 2020).

Based on this literature, the present study does not conceptualize entrepreneurial identity as a broad or undifferentiated construct. Rather, it focuses on a specific dimension that may be described as opportunity-oriented entrepreneurial identity. This refers to the extent to which entrepreneurs define themselves through activities such as identifying opportunities, solving problems, searching for new ideas, and developing the venture in personally meaningful ways. Although these activities are conceptually related to innovation, they are not equivalent to innovation outcomes. They capture how entrepreneurs understand themselves and what motivates their entrepreneurial engagement, whereas innovation orientation refers to the extent to which the firm introduces improvements, behaves creatively in its operations, and seeks new ways of doing things.

This distinction is especially relevant in lifestyle entrepreneurship, where business activity is often closely intertwined with personal identity, values, autonomy, and self-realization (Ateljevic & Doorne, 2000; Bredvold & Skålén, 2016; Marchant & Mottiar, 2011). Identity-based perspectives of entrepreneurship suggest that entrepreneurs are more likely to act persistently and creatively when entrepreneurial activities are central to who they are (Cardon et al., 2013; Mmbaga et al., 2020). In addition, opportunity recognition is not merely a cognitive process, but is shaped by how entrepreneurs interpret their environment through their own experiences, motivations, and self-concepts (Yachin, 2019). Accordingly, opportunity-oriented entrepreneurial identity is expected to function as a motivational antecedent of innovation orientation rather than as a direct measure of innovation itself. The following hypothesis is therefore proposed (Figure 1):

H3: *Opportunity-oriented entrepreneurial identity positively influences innovation orientation.*

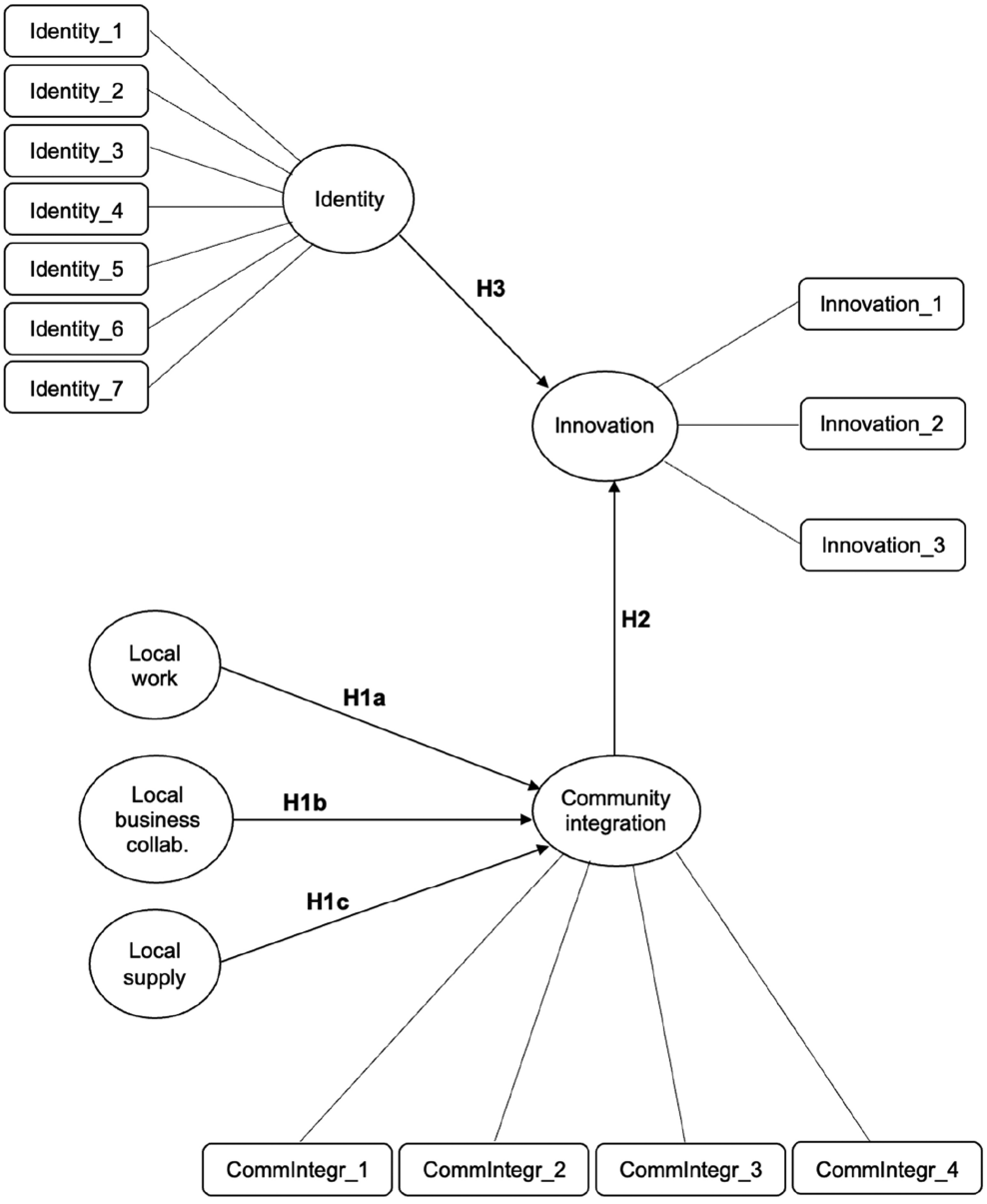


Figure 1. Conceptual model.

Methodology

This study adopts a quantitative research design because its objective is to empirically test theoretically derived relationships between opportunity-oriented entrepreneurial identity, local practices, community integration, and innovation among tourism lifestyle entrepreneurs. While prior research on lifestyle entrepreneurship has provided rich qualitative and conceptual insights into entrepreneurs' motivations, values, and embeddedness in place, fewer studies have examined these relationships through a predictive, model-based empirical approach. A quantitative design is therefore appropriate for assessing the relative strength and statistical significance of the proposed relationships and for examining whether identity-related and community-related factors explain variation in innovation orientation. This approach is consistent with the study's aim of moving beyond descriptive accounts of lifestyle entrepreneurship towards the systematic testing of hypotheses grounded in the literature on entrepreneurial identity, social embeddedness, and tourism innovation (Cardon et al., 2013; Dias & Silva, 2021b; Jack & Anderson, 2002). The following subsections describe the questionnaire design, data collection procedure, sample characteristics, and statistical analysis.

Questionnaire design

The general aim of the questionnaire was to quantitatively investigate lifestyle entrepreneurs in relation to the depiction the literature makes about them, the characteristics and behaviors the research suggests and assumes, regarding their involvement in the local community, their economic impact, and link to innovation.

The questionnaire used for this study was developed based on a review of the existing academic literature, with items adapted from established constructs relevant to lifestyle entrepreneurship. The original items in English were translated into Italian and then back-translated to ensure linguistic consistency. In addition, the questionnaire was subjected to a small-scale cognitive pre-test with two tourism entrepreneurs whose profiles were consistent with a lifestyle-driven approach. These preliminary interviews were not intended as qualitative data collection, nor as a statistical pilot test of the instrument. Rather, they were used as a cognitive testing procedure to assess whether the translated items were understandable, contextually appropriate, and meaningful for the target respondents. During these pre-test interviews, participants were asked to comment on the clarity of the wording, the interpretation of key concepts such as lifestyle entrepreneurship, community integration, and innovation, the logical flow of the questionnaire, and the adequacy of the response scales. This step was particularly relevant because the term 'lifestyle entrepreneur' is not commonly used in Italian business language, making it important to verify whether the conceptual explanation and item wording were accessible to respondents. Feedback from this pre-test led to minor wording adjustments and helped ensure that the questionnaire could be completed consistently by tourism entrepreneurs in the Italian context. The first questions aimed to collect background and demographic information about the entrepreneur's business, including the type of activity, year of establishment, number of employees, legal form, the location where the business operates, and the number of inhabitants in their area.

The constructs included in the model capture entrepreneurial orientations and contextual embeddedness rather than direct measures of regional development outcomes. Community integration refers to the extent to which entrepreneurs perceive themselves as socially and economically embedded within the local context in which their ventures operate. The dependent variable is labelled self-reported innovation orientation. This construct does not measure objective innovation outputs, such as patents, new product counts, market adoption, financial returns from innovation, or externally assessed novelty. Instead, it captures respondents' perceptions of the extent to which their ventures introduce improvements, use creative operational methods, and seek new ways of doing things. The construct should therefore be interpreted as a perceptual and behavioural orientation towards innovation at the venture level, rather than as an objective measure of realized innovation performance.

The survey was structured to evaluate multiple dimensions of their business activities, community involvement, and entrepreneurial orientation. These were close-ended questions with response formats varying depending on the type of question. The variables Local Work, Local Business Collaboration, and Local Supply were operationalized using single-item measures capturing objective characteristics of the firm's local engagement. Specifically, respondents were asked to report (1) the percentage of employees residing in the local area (Local Work), (2) the percentage of partnerships established with local businesses (Local Business Collaboration), and (3) the percentage of total expenditure allocated to purchases from local suppliers or service providers (Local Supply). It is important to note that these indicators capture the presence or extent of concrete local practices, but not the quality, intensity, reciprocity, or strategic meaning of local relationships. For example, the percentage of local employees indicates the degree of local hiring, but not the depth of employees' community connections. Similarly, the percentage of local business collaborations indicates the extent of collaboration, but not whether these relationships involve trust, knowledge exchange, co-creation, or long-term strategic cooperation. Local supply captures the proportion of purchases made from local suppliers, but not the relational quality or developmental impact of those supply-chain ties. Therefore, these variables should be interpreted as operational indicators of local practice rather than comprehensive measures of local embeddedness.

The use of single-item measures is appropriate in this context because the variables represent factual, easily quantifiable attributes rather than abstract latent constructs requiring multi-item psychometric scales. Percentage-based indicators are commonly used to capture structural characteristics of firms, such as workforce composition, supply-chain localization, or collaboration patterns. In such cases, a single direct mea-

sure provides a more precise and interpretable indicator of the underlying concept than a multi-item perceptual scale.

Some items were based on Likert-type scales, particularly those measuring perceptions, attitudes, and frequency of behaviors, such as involvement in the local community, innovation orientation, and opportunity-oriented entrepreneurial identity. Response options ranged from 'never' to 'very often' or from 'completely disagree' to 'completely agree'. The questionnaire items were developed for the purposes of this study and conceptually informed by the relevant literature on lifestyle entrepreneurship, community embeddedness, opportunity-oriented entrepreneurial identity, and tourism innovation. In particular, the items on innovation orientation were inspired by research emphasizing creativity, problem solving, and the development of new products, services, or practices in entrepreneurial and tourism contexts (Dias & Silva, 2021b; Dias, Silva, et al., 2021; Kropp et al., 2006). The items relating to local practices and community integration were informed by studies on small business embeddedness, social capital, local collaboration, and community-oriented value creation (Besser & Miller, 2001; Bosworth & Farrell, 2011; Jack & Anderson, 2002; Marchant & Mottiar, 2011). The community-integration scale captures respondents' self-reported involvement in local events, support for local initiatives, collaboration with local businesses, and collaboration with the local community. It should therefore be interpreted as a measure of civic or responsibility-oriented local involvement, rather than as a measure of deep relational embeddedness, network quality, social capital, or emotional place attachment.

Finally, the items capturing entrepreneurial identity were grounded in identity-based and passion-based perspectives of entrepreneurship, particularly the view that entrepreneurs define themselves through roles, motivations, opportunity recognition, and personally meaningful entrepreneurial activities (Belchior & Castro-Silva, 2023; Cardon et al., 2013; Ivanycheva et al., 2024; Mmbaga et al., 2020). The identity-related construct used in this study is labelled opportunity-oriented entrepreneurial identity. This label was adopted to avoid treating the construct as a broad measure of entrepreneurial identity and to clarify its specific conceptual scope. The items capture the extent to which respondents define their entrepreneurial role through opportunity recognition, problem solving, idea exploration, and venture development. These dimensions are grounded in identity-based perspectives of entrepreneurship, which argue that entrepreneurial roles become meaningful when individuals internalize particular activities, goals, and motivations as part of who they are (Belchior & Castro-Silva, 2023; Cardon et al., 2013; Mmbaga et al., 2020).

Although some items refer to activities that are also relevant to innovation, such as searching for new ideas or scanning the environment for opportunities, they were included because they are phrased as self-definitional and motivational statements about the entrepreneur rather than as statements about the firm's realised innovation behaviour. By contrast, the innovation construct captures firm-level orientation towards introducing improvements, using creative operational methods, and constantly seeking new ways of doing things. Therefore, opportunity-oriented entrepreneurial identity is treated as an identity-based antecedent, while innovation orientation is treated as a behavioural and organizational outcome. The full item list is presented in the Appendix in both English and Italian.

Data collection

This study is based on primary data which was collected through a self-administered online survey created and carried out through Google Forms. Participation in the survey was entirely voluntary, and respondents were informed that the questionnaire was anonymous, intended solely for academic purposes, and that the data would have been used confidentially and exclusively within that scope. Given that the research is based entirely in Italy and targets Italian tourism businesses, the questionnaire was administered in Italian.

No formal institutional ethical approval was obtained prior to data collection. The study involved a voluntary, anonymous, non-sensitive online survey of adult tourism entrepreneurs and did not collect personally identifiable personal data. Before completing the questionnaire, respondents were informed about the academic purpose of the study, the voluntary nature of participation, the anonymous treatment of responses, and the confidential use of the data. Proceeding with the questionnaire was therefore interpreted as informed consent to participate. Respondents were free not to answer the questionnaire, and no incentives were offered for participation. Although no prior ethics committee approval was sought, the data

collection process was conducted in accordance with standard ethical principles for low-risk survey research.

The sampling strategy was designed to reach small tourism entrepreneurs whose business profiles were likely to be consistent with the lifestyle entrepreneurship framework adopted in this study. Because the survey did not include a direct screening measure verifying whether respondents prioritized lifestyle goals over profit, growth, or scale expansion, the sample should not be interpreted as a confirmed population of tourism lifestyle entrepreneurs. Instead, it should be understood as a purposive sample of small tourism entrepreneurs whose profiles are consistent with lifestyle entrepreneurship as described in the literature. This consistency was addressed procedurally in three ways. First, because the term 'lifestyle entrepreneur' is not commonly used in Italian, a brief explanation of the concept was provided at the beginning of the questionnaire in order to create a shared frame of reference among respondents. Second, the questionnaire was refined through a small-scale cognitive pre-test with two entrepreneurs whose profiles were consistent with a lifestyle-driven approach in tourism. Third, distribution focused on small and medium-sized tourism businesses operating in contexts where lifestyle-oriented entrepreneurship is frequently discussed in the literature, including rural, place-based, agritourism, and small accommodation settings.

The questionnaire included a total of 19 questions, structured into several thematic and more detailed subsections. Apart from the initial part gathering general information about the business, all remaining questions were designed as close-ended, using multiple-choice formats to facilitate consistency in responses and ease of analysis.

The data collection process resulted in a final analytical sample of 150 valid responses. Responses were considered valid when the questionnaire was sufficiently complete for inclusion in the statistical analysis and when the respondent represented a tourism-related business consistent with the target population of the study. Incomplete questionnaires and responses that did not provide the necessary information for the main constructs were excluded from the final dataset. Therefore, all subsequent descriptive and inferential analyses were conducted using these 150 valid responses.

The target population consisted of small and medium-sized tourism enterprises operating in Italy, with the specific aim of reaching the entrepreneurs themselves. To assess suitable respondents, the researcher contacted a variety of industry-related associations and organizations by phone, requesting their collaboration and availability in distributing the questionnaire to their affiliated businesses. The contacted entities included, for example hotelier associations and regional unions representing tourism ventures, local tourism offices responsible for tourism promotion, destination management companies or municipality offices. In some cases, these organizations agreed to share the questionnaire directly with their contacts via email. Lastly, a small number of businesses personally known to the researchers were also invited to participate in the study.

The geographical reach of the distribution covered well-known tourist areas and destinations across Italy but also rural areas where the tourism model of agritourism often takes place. Research states indeed that lifestyle motives are more common in rural areas compared to urban ones (Ivanycheva et al., 2024).

Sample description

The final analytical sample comprised 150 valid responses from small tourism entrepreneurs operating in Italy. The composition of the sample is broadly consistent with the characteristics commonly associated with lifestyle entrepreneurship in tourism, but the respondents should not be interpreted as a formally verified group of tourism lifestyle entrepreneurs. The study did not include a direct motivational screening item to determine whether lifestyle goals were prioritized over profit or growth objectives. Accordingly, the sample is best described as a purposive sample of small tourism entrepreneurs whose business profiles are consistent with lifestyle entrepreneurship. This positioning is supported by the dominance of agriturismi and other small accommodation or hospitality ventures, the high proportion of micro and owner-managed firms, and the prevalence of rural, mountain, lake, countryside, and small-municipality contexts. Prior literature has repeatedly linked lifestyle entrepreneurship to small-scale, family-run, and place-based ventures, especially in rural tourism settings where non-economic motivations and quality-of-life considerations are more salient (Ateljevic & Doorne, 2000; Getz & Carlsen, 2000; Ivanycheva et al., 2024; Morrison, 2006). The most represented categories in the sample are agritourism (38%), followed by hotels (21%), holiday rentals

and short-term accommodations (11%), restaurants and bars (9%), and B&Bs (8%). A smaller number of respondents belong to beach properties, marketing and real estate agencies, event organizers, campsites, wineries, and other rural tourism-related ventures.

In terms of size, the sample is largely composed of micro and small enterprises. Over a quarter (27%) reported having no employees, meaning they are owner-managed firms, while 13% had only one employee. Approximately 22% operate with two to four employees, and 14% employ between five and nine workers. Medium-sized structures are also represented, with 15% having between 10 and 15 employees, and the remaining with over 30 employees.

As for geographical location, most businesses are situated in rural or nature-oriented areas: 32% are in the mountains or hilly regions, 23% in the countryside and rural areas, and 14% in lake areas. Coastal locations account for 16%, while 11% are based in urban or suburban zones.

Population-wise, over half of the businesses (51%) are in small municipalities with fewer than 5000 inhabitants, followed by 23% in towns with 5001 to 10,000 residents. About 19% are based in mid-sized cities (10,001–100,000 inhabitants), while only 7% operate in large urban centers (over 100,000 residents).

The age of the businesses is also diverse. While 17% were found in the last five years and 19% between six and ten years ago, a substantial number (23%) have been operating for 11 to 20 years. Notably, several respondents (10%) reported running businesses older than 50 years, including four over a century old, reflecting the presence of multi-generational or heritage tourism enterprises in the sample.

Statistical analysis

Hypotheses were tested using Partial Least Squares Structural Equation Modelling (PLS-SEM) in SmartPLS 4 (Hair et al., 2017; Ringle et al., 2014). PLS-SEM was selected as the analytical approach for several reasons. First, the objective of the study is primarily prediction-oriented, aiming to examine how opportunity-oriented entrepreneurial identity and community integration relate to innovation within tourism lifestyle ventures. Variance-based SEM techniques such as PLS are particularly suitable when the research objective focuses on explaining and predicting endogenous constructs rather than testing a well-established covariance structure (Hair et al., 2021). Second, the study explores relationships that remain under-examined in the lifestyle entrepreneurship literature, making PLS-SEM appropriate for theory development and exploratory modelling. Third, PLS-SEM is robust to potential deviations from multivariate normality, which are common in survey data collected from small business owners. Finally, the model includes multiple latent constructs measured through several indicators, making PLS-SEM a suitable technique for estimating complex structural relationships while maximizing explained variance in the endogenous variable (Hair. et al., 2021).

The measurement model satisfied all reliability and validity criteria: standardized factor loadings exceeded 0.708, while Cronbach's alpha and composite reliability (CR) values surpassed 0.70 (Hair et al., 2017). Convergent validity was confirmed with Average Variance Extracted (AVE) > 0.50 (Bagozzi & Yi, 1988). Discriminant validity was assessed using the heterotrait–monotrait ratio (HTMT). All HTMT values were below the recommended threshold of 0.85 (Hair et al., 2021). In particular, the HTMT value between opportunity-oriented entrepreneurial identity and self-reported innovation orientation was 0.805, which remains below the conservative threshold for discriminant validity. Although these constructs are theoretically related, this result indicates that they capture empirically distinct phenomena. Regarding the structural model, collinearity issues were absent (VIF < 5) (Table 2.). The model demonstrated weak-to-moderate explanatory power for Community Integration (R^2 = 27.6%; Q^2 = 0.249) and moderate power for self-reported innovation orientation (R^2 = 53.3%; Q^2 = 0.524). Bootstrapping was used to determine path significance (Hair et al., 2021). To further evaluate the magnitude of the relationships in the structural model, effect sizes (f^2) were also examined. The f^2 values, reported in Table 2, provide an indication of the relative contribution of each exogenous construct to the explained variance of the endogenous variable. Following established guidelines, values around 0.02, 0.15, and 0.35 can be interpreted as small, medium, and large effects respectively. Finally, the significance of the structural relationships was assessed using a bootstrapping procedure with 5000 resamples, which allows the estimation of robust standard errors and confidence intervals for the path coefficients (Table 1).

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

Latent variables	*α*	CR	AVE	1	2	3
(1) Community integration	0.906	0.932	0.776	**0.881**	0.163	0.170
(2) Opportunity-oriented entrepreneurial identity	0.947	0.923	0.699	0.156	**0.836**	0.799
(3) Self-reported innovation orientation	0.857	0.913	0.777	0.149	0.731	**0.881**

Note: Bolded Diagonal represents the Square root of AVE, above the bolded Diagonal represents the HTMT ratios and, below the Diagonal represents the correlations between the constructs.

To account for the heterogeneity observed in the sample, additional robustness analyses were conducted including firm-level control variables in the structural model. Specifically, firm size (number of employees) (Divisekera & Nguyen, 2018), firm age, and location type (rural vs. urban) (Backman et al., 2017) were included as control variables potentially affecting innovation and community integration (Table 1A in the appendix). These characteristics have been shown to influence entrepreneurial behaviour and innovation in tourism ventures. The control variables were introduced as exogenous predictors of the endogenous constructs and the model was re-estimated using the same PLS-SEM procedure and bootstrapping settings as in the main analysis.

Given the conceptual proximity between opportunity-oriented entrepreneurial identity and innovation orientation, an additional sensitivity analysis was conducted. The purpose of this test was to examine whether the relationship between opportunity-oriented entrepreneurial identity and innovation remained stable when the identity items most semantically proximate to product/service innovation were removed. Specifically, Identity_5, 'I enjoy searching for new ideas for products or services to offer', and Identity_6, 'I am motivated to continuously improve existing products or services', were excluded from the construct, and the structural model was re-estimated using the same PLS-SEM procedure and bootstrapping settings.

Results and discussion

The findings should be interpreted in light of the cross-sectional and self-reported nature of the data. The study does not test causal relationships, mediation mechanisms, or longitudinal processes. Instead, it examines associations among opportunity-oriented entrepreneurial identity, local practices, community integration, and innovation orientation within the estimated PLS-SEM model. Therefore, the results are discussed in terms of statistical association, explanatory strength, and variance explained, rather than causal effects. The study does not directly measure community development outcomes or regional economic impacts. Instead, it focuses on how lifestyle entrepreneurs' identity and perceived integration within the local context relate to their orientation towards innovation within their ventures. By examining these micro-level orientations and behaviours, the study contributes to understanding how the motivations and embeddedness of lifestyle entrepreneurs may shape the way their businesses evolve, which may in turn influence local tourism dynamics (Marchant & Mottiar, 2011; Peters et al., 2009). Table 2 shows the path loadings coefficients reflecting the relationships between the constructs and provides evidence for hypothesis testing.

As a robustness check, the structural model was re-estimated including firm-level control variables capturing firm size, firm age, and location type (rural vs. urban). The inclusion of these controls did not

Table 2. Structural model assessment.

Path	Path coefficient	Standard errors	*t* statistics	*p* values	VIF values	f^2	2.5%	97.5%
Community integration → self-reported innovation orientation	0.038	0.061	0.614	0.539	1.024	0033	−0080	0163
Opportunity-oriented entrepreneurial identity → self-reported innovation orientation	0.701	0.047	14.001	**0.000**	1.022	1089	0613	0819
Local business collab. → Community integration	0.445	0.064	6.976	**0.000**	1.092	0250	0319	0564
Local supply → Community integration	0.085	0.067	1.279	0.201	1.134	0039	−0050	0213
Local work → Community integration	0.142	0.071	2.011	**0.044**	1.099	0025	0004	0279

Note: Bold values indicate statistical significance $p < 0.05$.

materially alter the main findings of the study. The relationship between opportunity-oriented entrepreneurial identity and self-reported innovation orientation remained positive and statistically significant ($\beta = 0.70$, $p < 0.001$), indicating that the observed association is not merely attributable to differences in firm characteristics. Consistent with the main model, the path from community integration to self-reported innovation orientation remained statistically non-significant ($\beta = 0.06$, $p = 0.47$). Among the control variables, firm size showed a small positive association with self-reported innovation orientation ($\beta = 0.12$, $p < 0.05$), while firm age and location type did not display statistically significant effects. These results suggest that the central role of opportunity-oriented entrepreneurial identity in explaining innovation orientation among tourism lifestyle entrepreneurs remains robust after accounting for key firm-level characteristics.

Opportunity-oriented entrepreneurial identity and innovation orientation

The results show that opportunity-oriented entrepreneurial identity is strongly and positively associated with self-reported innovation orientation, providing support for H3. This finding should be interpreted with caution and precision. It does not demonstrate that entrepreneurial identity broadly causes innovation, nor does it show effects on objective innovation outputs. Rather, within the cross-sectional survey model estimated in this study, the specific opportunity-oriented identity construct explains substantial variance in respondents' self-reported innovation orientation. Lifestyle entrepreneurship literature has repeatedly emphasized that identity and personal fulfillment are central drivers of entrepreneurial behaviour, particularly in tourism contexts where entrepreneurs often pursue ventures aligned with their personal values and aspirations (Ateljevic & Doorne, 2000; Marchant & Mottiar, 2011). From this perspective, the identity construct can be understood as an opportunity-oriented entrepreneurial identity that shapes behavioural tendencies, whereas innovation represents the realization of these orientations through concrete entrepreneurial actions.

In addition, an Importance-Performance Map Analysis (IPMA) was carried out for innovation (Table 3). The analysis shows that identity as the construct with the highest importance value, combining the highest level of importance (0.723) with the strongest performance (78.102). In contrast, *community integration* and the local dimensions (*local business collaboration*, *local supply*, and *local work*) exhibit considerably lower importance scores, suggesting that their role in directly fostering innovation is less substantial.

These results indicate that, although local embeddedness and collaboration may remain relevant for other aspects of lifestyle entrepreneurship, innovation appears to be primarily shaped by identity-related factors. This is consistent with the literature that positions identity and passion as central forces behind entrepreneurial creativity and novelty (Cardon et al., 2013; Ivanycheva et al., 2024). The strong alignment between identity and business activity means that innovation often emerges as a way for entrepreneurs to express and validate their identity (Murnieks & Mosakowski, 2007). This explains why lifestyle entrepreneurs, despite being frequently risk-averse and less growth-oriented (Getz & Carlsen, 2000; Morrison, 2006), still emerge as key initiators of novelty within tourism (Ateljevic & Doorne, 2000).

Looking more closely at the outer loadings, not all dimensions of identity contributed equally. *Identity_7* ('Scanning the environment for new opportunities excites me') emerged as the strongest indicator. This suggests that the aspects of identity that are linked to creativity and opportunity recognition are especially influential in stimulating innovation. In line with these findings, Cardon et al. (2013) emphasize that the inventor-related dimension of opportunity-oriented entrepreneurial identity is particularly associated with creativity and innovation. In this sense, innovation among lifestyle entrepreneurs is most strongly activated when their identity is linked to curiosity, opportunity recognition, and experimentation, rather than to

Table 3. IPMA results.

	Innovation	Performance
Community integration	0.038	54.210
Opportunity-oriented entrepreneurial identity	0.727	78.199
Local business collab.	0.017	53.333
Local supply	0.003	63.453
Local work	0.005	52.503

roles such as 'founder' or 'business owner', which appear less decisive in this context. This is confirmed by the outer loadings of *Idenity_2* ('I feel that being the founder of a company is a fundamental part of who I am') and *Identity_3* ('Nurturing and growing the company is essential to my personal fulfillment') being among the lowest.

The prominence of creativity and opportunity-oriented dimensions also resonates with Yachin (2019) analysis of the entrepreneur–opportunity nexus, which stresses that innovation does not emerge from opportunities alone but from the entrepreneur's subjective perception of them. According to this perspective, innovation does not simply result from the presence of objective opportunities in the environment, but from how entrepreneurs perceive and interpret them through their own traits, knowledge, and orientations (Yachin, 2019). In rural micro-tourism firms, Yachin (2019) identifies internal drivers, supply chain dynamics, and reactions to contextual changes as triggers of innovation, yet all of them ultimately require the entrepreneur's interpretation to become actionable.

The fact that creativity and opportunity-oriented dimensions emerged as the strongest indicators of innovation is also consistent with studies highlighting that opportunity-oriented entrepreneurial identity often develops from passions or hobbies, sometimes unintentionally (Mmbaga et al., 2020; Shah & Tripsas, 2007), suggesting these dimensions are a common characteristic of lifestyle entrepreneurs. The findings confirm that identity shapes not only entrepreneurs' goals but also their ability to recognize and pursue opportunities (Cardon et al., 2013; Morris et al., 2018). For some entrepreneurs, innovating might not only be a strategic response but also a way to remain consistent with their values and to express themselves through their businesses. The overlap between self and enterprise means that novelty often emerges directly from how they perceive themselves (Cardon et al., 2013; Dias, González-Rodríguez, et al., 2021) and the lifestyle they seek to sustain (Murnieks & Mosakowski, 2007). These results suggest that opportunity-oriented entrepreneurial identity is more than a background characteristic. It represents the strongest construct associated with innovation orientation in the model. It is the personal meaning entrepreneurs attach to their roles, and especially the creativity and opportunity-oriented dimensions of their identity, that most strongly stimulate innovative outcomes.

Local practices: hiring, collaboration, supply

The results reveal that not all the local practices investigated contribute equally to community integration. Local hiring and collaboration emerged as significant positive drivers, reinforcing trust and social capital in line with the argument of Jack and Anderson (2002) that networks and embeddedness can be built through people and relationships. Hypotheses H1a (*the employment of local workers influences the community integration of lifestyle entrepreneurs*) and H1b (*the collaboration with other local businesses influences the community integration of lifestyle entrepreneurs*) are therefore confirmed.

Descriptive evidence supports this as well. More than 50% of respondents reported that over three-quarters of their employees reside locally, and a considerable number (over 80%) collaborate with at least one other local business, with many engaging in four or more collaborations. These findings underline how labour ties and inter-business cooperation foster mutual support and strengthen the local tourism ecosystem, aligning with Morrison (2006) and Bosworth and Farrell (2011) on the role of small businesses in sustaining community well-being. By contrast, local supply did not show a significant effect on integration, despite prior research suggesting its importance (Besser & Miller, 2001). While survey results indicate that a substantial share of entrepreneurs sources more than half of their inputs locally, this practice does not consistently translate into stronger community ties according to the results. H1c (*sourcing inputs from local suppliers influences the community integration of lifestyle entrepreneurs*) is therefore rejected in the present study. One possible explanation is that supply chains are influenced by factors such as price, quality, and availability, making them less directly embedded in the local context than hiring and collaborating. As such, this study contributes by demonstrating that not all dimensions of local embeddedness carry the same weight. Employment and collaboration appear to be more reliable levers of integration, while supply plays a more contingent role, finally showing that community integration is primarily driven by practices rooted in social interaction and trust-building rather than by supply relations alone.

These findings should be interpreted cautiously because the local-practice variables are single-item indicators of concrete behaviours. They show whether entrepreneurs hire locally, collaborate with local businesses, or source locally, but they do not capture the quality, intensity, reciprocity, or strategic relevance of those local ties. Therefore, the results should not be read as broad evidence about the role of local embeddedness or local networks in tourism innovation. Rather, they indicate that, in this sample, local hiring and local business collaboration are associated with civic/responsibility-oriented community integration, whereas local supply is not significantly associated with that specific construct.

Community integration

The results also clarify the specific role played by the community-integration construct included in this study. While opportunity-oriented entrepreneurial identity is significantly associated with self-reported innovation orientation, the path from community integration to self-reported innovation orientation is not statistically significant. This finding should be interpreted narrowly. It does not show that local embeddedness, place attachment, social capital, or local networks are unimportant for innovation in tourism ventures. Rather, it indicates that the specific measure of community integration used in this study, which captures civic and responsibility-oriented local involvement, does not directly predict the specific self-reported innovation-orientation measure in the estimated model.

This interpretation is important because the constructs emphasized in prior studies are broader than the one measured here. Local embeddedness often includes the structure, strength, and quality of local relationships; social capital refers to resources accessible through network ties; and place attachment captures affective bonds with place. By contrast, the present measure focuses on involvement in local events, collaboration with local actors, and support for local initiatives. These activities may contribute to local legitimacy, authenticity, or community engagement, but they may not be sufficient on their own to explain self-reported innovation orientation. Future research should therefore examine whether deeper relational embeddedness, network quality, knowledge exchange, or emotional place attachment are more directly associated with innovation orientation or objective innovation outcomes.

Lifestyle entrepreneurship research has long emphasized that these entrepreneurs are often motivated by personal fulfillment, values, and self-expression embedded in place and lifestyle choices (Ateljevic & Doorne, 2000). Consistent with this perspective, the findings suggest that innovation may be closely linked to the entrepreneurs' identity and personal motivations, while community integration may play more indirect or contextual roles that are not directly captured by the present model.

This contrasts with a substantial body of literature that highlights the role of local embeddedness in shaping entrepreneurial novelty. For instance, Jack and Anderson (2002) and Bosworth and Farrell (2011) emphasize that local networks and informal interactions often provide the knowledge and resources that enable context-specific innovations. Similarly, Carson and Carson (2018) stress that location-driven lifestyle entrepreneurs are often better positioned than other businesses to transform local assets into commercial products. Dias, González-Rodríguez, et al. (2021) also argue that community attachment fosters innovation through mechanisms such as co-creation with local stakeholders and the intertwining of production and consumption in tourism experiences (p. 707). Their framework further suggests that the wider context, including elements such as a creative atmosphere and a local entrepreneurial culture, indirectly promotes innovation by strengthening community attachment, which then acts as a channel for novelty (Dias, González-Rodríguez, et al., 2021).

The non-significant relationship between community integration and innovation may also reflect the specific conceptualization of community integration used in this study. The construct captures a sense of civic engagement and responsibility towards the local community rather than structural embeddedness in local networks or emotional place attachment. While such community-oriented values are often associated with lifestyle entrepreneurship (Marchant & Mottiar, 2011), they do not necessarily translate directly into innovative behaviour within the firm. Innovation may instead depend more strongly on opportunity-seeking motivations and opportunity-oriented entrepreneurial identity, whereas community responsibility may shape other outcomes such as local collaboration, authenticity, or sustainability practices within tourism ventures (Peters et al., 2009). A possible explanation for this divergence lies in how elements that

Dias, González-Rodríguez, et al. (2021) classify as contextual, such as creative atmosphere or the culture of entrepreneurship, are represented differently in this study. In the present model, these features are internalized at the individual level, captured by dimensions of opportunity-oriented entrepreneurial identity such as the enjoyment of developing new ideas or scanning the environment for opportunities. This shift from the external environment to the entrepreneur's identity may explain two key findings. First, why H2 (community integration→innovation) is not significant, since part of the variance that Dias, González-Rodríguez, et al. (2021) attributes to context and attachment is instead here absorbed by identity. Second, it may explain why H3 (identity→innovation) emerges as particularly strong. Opportunity-oriented entrepreneurial identity may be associated with how entrepreneurs interpret signals from the surrounding environment, such as creative atmospheres, local norms, or networks. However, because the present study does not test mediation or moderation, it cannot determine whether this identity operates as a mechanism linking local embeddedness to innovation orientation.

Conclusions

Theoretical contributions

This study contributes to the theoretical debate on lifestyle entrepreneurship by showing that opportunity-oriented entrepreneurial identity is strongly associated with self-reported innovation orientation among a purposive sample of small tourism entrepreneurs whose profiles are consistent with lifestyle entrepreneurship. The contribution is narrower than a general claim about entrepreneurial identity or innovation. The study does not measure objective innovation outputs, externally assessed novelty, market outcomes, or community development effects. Instead, it examines how a specific identity-related self-concept is associated with a self-reported orientation towards innovation at the venture level.

This distinction is important because lifestyle entrepreneurship research often links entrepreneurs' values, autonomy, passions, place attachment, and local embeddedness to broader innovation and community development processes. The present study does not test those broader outcomes directly. Rather, it refines the discussion by showing that, in this sample and model, self-reported innovation orientation is more strongly associated with opportunity-oriented entrepreneurial identity than with the specific community-integration construct included in the analysis. In this way, the study contributes a more bounded but empirically defensible understanding of how identity-related orientations relate to innovation orientation in lifestyle-oriented tourism ventures.

A further contribution lies in providing a more refined perspective on the role of local practices and community embeddedness. The findings show that local hiring and collaboration are reliable levers for fostering integration, while local supply chains, often highlighted in earlier studies, appear to play a more contingent role. The absence of a significant relationship between community integration and self-reported innovation orientation should not be interpreted as a general challenge to embeddedness-based explanations of innovation. Rather, it refines this discussion by showing that a specific form of civic/responsibility-oriented community involvement is not directly associated with self-reported innovation orientation in the estimated model. This distinction is theoretically relevant because local embeddedness, place attachment, social capital, and network quality are broader and more relationally complex constructs than the community-integration measure used in this study. The findings therefore suggest the need to distinguish more carefully between different forms of local connection when examining innovation in lifestyle-oriented tourism ventures. Embeddedness may provide resources and legitimacy, but the present findings only show that, in this model, community integration is not directly associated with innovation orientation once opportunity-oriented entrepreneurial identity is included. Future research should test more explicitly whether identity-related constructs mediate or moderate the relationship between local embeddedness and innovation.

Practical and managerial implications

The findings offer practical implications for policymakers, tourism development agencies, and entrepreneurial support organizations working with small tourism entrepreneurs whose profiles are consistent with lifestyle entrepreneurship. These implications should be interpreted cautiously because the study

is cross-sectional, based on self-reported data, and measures innovation orientation rather than objective innovation outputs. The results do not show that entrepreneurial identity can be directly trained, engineered, or converted into innovation. Rather, they suggest that opportunity-oriented entrepreneurial identity is positively associated with the way entrepreneurs report innovation orientation within their ventures.

From a practical perspective, this means that support initiatives should not seek to create or manipulate entrepreneurial identity. A more appropriate implication is that support programs may help entrepreneurs reflect on their goals, values, opportunity perceptions, and ways of interpreting their local tourism environment. For instance, mentoring, peer-learning groups, reflective workshops, and guided business-development sessions may provide spaces in which entrepreneurs articulate how their personal motivations, place-based resources, and opportunity perceptions relate to possible improvements in their ventures.

The findings are also consistent with the value of initiatives that support opportunity recognition rather than only operational management. Tourism development agencies may consider offering structured opportunity-scanning workshops, market exploration exercises, visitor-experience mapping, trend analysis sessions, or idea-generation labs. These activities may help entrepreneurs identify emerging visitor needs, underexplored local resources, or new experiential possibilities. However, such recommendations should be understood as plausible applications of the findings, not as evidence that these interventions will necessarily produce innovation outcomes. Their effectiveness should be tested in future research using longitudinal or experimental designs.

Mentoring and peer-learning initiatives may also be useful when they encourage entrepreneurs to reflect on opportunities and experiment with small-scale improvements. For example, experienced entrepreneurs, destination managers, or sector experts could help participants evaluate new service ideas, connect local resources with visitor expectations, or test incremental improvements in hospitality, interpretation, sustainability, or experience design. In this sense, practical support should focus less on engineering identity and more on creating conditions for entrepreneurial reflection, opportunity recognition, and structured experimentation.

Finally, the findings should not be interpreted as suggesting that community engagement or local ties are unimportant. The study shows only that the specific community-integration measure used here, understood as civic and responsibility-oriented local involvement, was not directly associated with self-reported innovation orientation in the estimated model. Policies aimed at strengthening local collaboration, community engagement, authenticity, and sustainability remain valuable, but they should not be assumed to automatically generate innovation. An equilibrated support strategy should therefore combine community-oriented initiatives with activities that help entrepreneurs recognize, evaluate, and experiment with opportunities in their specific tourism contexts.

Limitations and future research

This study is subject to limitations inherent in its research design. The most important limitation of this study concerns construct validity, particularly the conceptual proximity between opportunity-oriented entrepreneurial identity and self-reported innovation orientation. Although the constructs are theoretically distinguishable and discriminant validity criteria were satisfied, the semantic overlap between some items remains a central threat to the interpretation of the findings. Several items in the opportunity-oriented entrepreneurial identity construct refer to activities such as searching for ideas, identifying opportunities, solving problems, and improving products or services. These activities are closely related to innovation orientation, even though they are framed as self-definitional and motivational statements about the entrepreneur rather than as firm-level innovation behaviours.

Therefore, the findings should be interpreted as evidence of a strong association between an opportunity-oriented entrepreneurial identity and self-reported innovation orientation, not as definitive evidence that entrepreneurial identity, broadly defined, predicts innovation. This distinction is central to the contribution of the study. The results support a narrower claim: entrepreneurs who describe themselves in terms of opportunity recognition, problem solving, and idea exploration also tend to report higher innovation orientation in their ventures. Future research should develop and validate cleaner measures that more sharply distinguish identity-based self-understanding, opportunity-recognition processes, entrepreneurial orientation, and realized innovation outcomes.

Second, we acknowledge the potential risk of common method variance, as the data were collected through a single survey instrument in which respondents self-reported both the independent and dependent constructs. In particular, the same entrepreneurs evaluated their own identity orientations as well as the innovative behaviour of their ventures, which may introduce the possibility of inflated relationships due to shared method variance. Although the constructs examined in this study capture subjective orientations and behaviors that are appropriately assessed through self-report measures, the use of a single data source remains a potential source of bias. Future research could mitigate this issue by employing multi-source data, such as combining entrepreneur surveys with external assessments of innovation or objective performance indicators. Longitudinal research designs could also help reduce common method concerns while providing deeper insight into the temporal relationship between opportunity-oriented entrepreneurial identity and innovation within lifestyle ventures.

Third, the reliance on a non-probabilistic sample of Italian tourism entrepreneurs limits the generalizability of the findings. The observed relationships, such as the non-significant link between community integration and innovation, may be contingent on cultural or contextual factors specific to Italy. In particular, the Italian tourism context is marked by strong territorial identities, a high relevance of small and family-owned firms, and the importance of rural, heritage-based, and agritourism experiences, all of which may reinforce the salience of place attachment and lifestyle-oriented motivations. These characteristics make Italy a valuable setting for this study, but they may also shape the way opportunity-oriented entrepreneurial identity, local embeddedness, and innovation are expressed. Therefore, future research should include comparative studies across diverse national and institutional contexts to test the broader applicability of the model. Cross-country comparisons would be especially useful to examine whether the importance of opportunity-oriented entrepreneurial identity over community integration in explaining innovation is specific to the Italian context or reflects a broader pattern among tourism lifestyle entrepreneurs.

A further limitation concerns the quantitative methodological approach. Relying on survey data may not fully capture the complex, subjective, and context-dependent meanings entrepreneurs attach to concepts like innovation and authenticity (Yachin, 2019). This quantitative approach risks oversimplifying how entrepreneurs interpret opportunities and circumstances. Consequently, future research would benefit from complementary qualitative methods, such as in-depth case studies or narrative analyses. Adopting a mixed-methods approach could provide a more comprehensive and nuanced understanding of how lifestyle entrepreneurs construct their identities, perceive opportunities, and translate local embeddedness into innovation.

A further limitation concerns the conceptual proximity between opportunity-oriented entrepreneurial identity and innovation orientation. Although discriminant validity criteria were satisfied and a sensitivity analysis was conducted, the constructs remain theoretically related because both involve creativity, opportunity recognition, and change-oriented entrepreneurial behaviour. The findings should therefore not be interpreted as showing that entrepreneurial identity in general predicts innovation. Rather, they indicate that the opportunity-oriented dimension of entrepreneurial identity is associated with innovation orientation. Future research should refine this distinction by developing measures that more clearly separate identity-based motivations, opportunity-recognition processes, and realized innovation outcomes.

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Appendix.

Questionnaire items

The questionnaire items were developed specifically for this study and were conceptually informed by prior literature rather than reproduced directly from a single established measurement scale. Items on community integration and local practices were inspired by research on small business embeddedness, local collaboration, social capital, and community-oriented entrepreneurship (Besser & Miller, 2001; Bosworth & Farrell, 2011; Jack & Anderson, 2002; Marchant & Mottiar, 2011). Items on opportunity-oriented entrepreneurial identity were informed by identity-based and passion-based approaches to entrepreneurship (Belchior & Castro-Silva, 2023; Cardon et al., 2013; Ivanycheva et al., 2024; Mmbaga et al., 2020). Items on innovation orientation were informed by research on creativity, problem solving, entrepreneurial innovativeness, and tourism lifestyle entrepreneurship innovation (Dias & Silva, 2021b; Dias, González-Rodríguez, et al., 2021; Kropp et al., 2006).

Community integration

Quanto sei coinvolto e integrato nella comunità locale?
[1 = mai; 5 = molto spesso]

How much are you involved and integrated within the local community
[1 = never; 5 = very often]

Items	Factor loadings
1. Partecipazione a eventi locali Participation to local events	0.839
2. Collaborazione con altre imprese o attività locali Collaboration with other businesses or local activities	0.849
3. Supporto a progetti e iniziative locali Supporting local projects and initiatives	0.909
4. Collaborazione con la comunità locale Collaboration with local community	0.913

Identity

Quanto sei d'accordo con le seguenti affermazioni riguardanti la tua esperienza come imprenditore?
[1 = completamente in disaccordo; 5 = completamente d'accordo]
To what extent do you agree with the following statements regarding your experience as entrepreneur?
[1 = completely disagree; 5 = completely agree]

Items	Factor loadings
1. Inventare nuove soluzioni ai problemi è una parte importante della mia identità. Inventing new solutions to problems is an important part of my identity	0.762
2. Sento che essere il fondatore di un'azienda è una parte fondamentale di chi sono. I feel that being the founder of a company is a fundamental part of who I am	0.805
3. Coltivare e far crescere l'azienda è essenziale per la mia realizzazione personale. Nurturing and growing the company is essential to my personal fulfillment	0.824
4. È emozionante trovare nuovi modi per soddisfare esigenze di mercato non ancora coperte. It is exciting to find new ways to meet unmet market needs	0.857
5. Mi diverte cercare nuove idee per prodotti o servizi da offrire. I enjoy searching for new ideas for products or services to offer	0.883
6. Sono motivato a migliorare continuamente i prodotti o servizi esistenti. I am motivated to continuously improve existing products or services	0.859
7. Scrutare l'ambiente alla ricerca di nuove opportunità mi entusiasma. Scanning the environment for new opportunities excites me	0.877

Innovation

Quanto sei d'accordo con le seguenti affermazioni riguardanti l'innovazione nella tua attività?
[1 = completamente in disaccordo; 5 = completamente d'accordo]
To what extent do you agree with the following statements regarding innovation in your business
[1 = completely disagree; 5 = completely agree]

Items	Factor loadings
1. Introduciamo attivamente miglioramenti e innovazioni nella nostra attività. We actively introduce improvements and innovations in our business.	0.879
2. La nostra azienda è creativa nei suoi metodi operativi. Our company is creative in its operational methods.	0.884
3. La nostra azienda cerca costantemente nuovi modi di fare le cose. Our company constantly seeks new ways of doing things.	0.881

Table A1. Structural model with control variables.

Relationship	β	*p*-Value
Identity → Innovation	0.68	< 0.001
Community Integration → Innovation	0.06	0.47
Firm Size → Innovation	0.12	0.03
Firm Age → Innovation	0.05	0.21
Rural vs Urban → Innovation	−0.03	0.41