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Relational Destination Development

Case Studies on the Significance of Tourism Networks

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**Abstract**


Destination development has become a key issue in local and regional development. In particular, many governments recognize the industry's potential for fostering economic growth and development. The tourist destination is often conceptualized as a complex network with several levels of interaction – both networks of actors within the destination, but also networks linking it to its surrounding environment with potential and actual customers, other destinations, government bodies and so on. It is hence the assumption here that we cannot fully understand destination development in a particular community unless we have a good understanding of how the key stakeholders interact.

By applying different network approaches that are based upon and united by a relational economic geography perspective to the study of destination development, we can widen our understanding of why some destinations struggle to survive and often decline, others maintain a threshold of success as tourist visiting areas, whereas there are still others, which exhibit a high level of competitiveness with local entrepreneurial milieus characterized by growth and long-term development.

More generally, this thesis deals with a traditional core issue in economic geography, i.e., to explain what it is that makes a place or region characterized by growth and development. This thesis explores this issue, and expands our knowledge on the links between various types of network structures and growth in a destination context, as demonstrated by case studies of two successful tourism areas. These studies of the Swedish mountain resort of Åre, and of Icehotel in northern Sweden, explore relational destination development and the significance of tourism networks.

**Keywords:** economic geography, tourism geography, local development, destination, tourism, networks, social capital, destination governance, clusters, tourism innovation, evolution, Åre Sweden, Icehotel

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Preface

Travels can take many forms and disguises. Some are almost impossible to predict with numerous crossroads requiring difficult decisions to be made along the way. Certain stretches are one-way streets, offering no possibilities of turning back, whereas others offer unexpected opportunities with several choices, ultimately turning into great experiences. On the road, you meet people who talk about places you have never visited, about places you have been to but experienced in a completely different way or people who share your thoughts and ideas and are heading in the same direction.

In the fall of 2002, I met Professor Emeritus Bengt Sahlberg. It was largely alongside him that I began this journey. I took on a new position as an analyst at ETOUR (the European Tourism Research Institute). I have never had such an inspiring and committed manager. He taught me the importance of cooperating not just with academia, but also with the world surrounding it; that research should be used and useful. Even though he now has been retired for quite some time, I feel that he is still very much a part of this journey, for which I am truly grateful.

Two other men played an important role before I decided to jump on board and start the academic journey as a PhD student. The first one is Associate Professor Bo Svensson, who, for many years, was the research director of ETOUR and as such opened the door and offered me the ticket that made this journey possible. He also co-authored one of the papers and shared his great knowledge, but more than anything, I appreciate his always honest feedback and straight answers. I would be happy to work for or with you any day again!

The second man is Associate Professor Arvid Flagstad at the Oslo School of Management, with whom I have had the great pleasure to cooperate in a number of projects over the years. His enthusiasm, life experience, wisdom and encouragement have taken me to places I would not have otherwise come across. I will always treasure our fieldtrip in Minnesota, walks on the Danish countryside and the tour of Bygdøy in Oslo.
As the journey took form and progressed, I encountered a lot of people and institutions to whom I am very grateful:

In terms of writing papers, I would like to thank my co-authors: Professor Hans Westlund at KTH, Sweden, Professor Alison Gill at Simon Fraser University, Canada, Dr. Michael Volgger at Curtin University, Australia, Professor Harald Pechlaner at Catholic University of Eichstätt-Ingolstadt, Germany, Professor Anders Malmberg at Uppsala University, Sweden and finally, Professor Anne-Mette Hjalager at University of Southern Denmark, Denmark. I am so grateful I got the opportunity to cooperate with you. It was the best learning experience I could have asked for.

On this journey, I made a number of intentional stops and slowed down the pace a bit, which delayed me from getting my PhD, but it was for the best reasons ever – the births of our three boys Tim, Noah and Elliot. They certainly widened my perspectives and made travelling less important for a while. This also explains why the first two papers were written and published some time ago. The first two papers were also part of my licentiate thesis. Thanks to Professor Emeritus Hans Aldskogius and Dr. Henrik Mattsson for valuable comments on the manuscript of the licentiate thesis and to opponent Dr. Lars Larsson, Umeå University. Thank you also to Professor Emeritus Håkan Håkansson at BI Norwegian Business School, Oslo for much appreciated discussions and help with this initial phase of the thesis.

I would also like to thank Professor Roger Andersson, Associate Professor Susanne Stenbacka and Associate Professor Johan Jansson for taking the time to offer much appreciated help with this manuscript in terms of very valuable comments and suggestions and Dr. Patrick Brouder, Brock University, Canada for his valuable feedback as an opponent at the final seminar. Thank you to Professor Björn Asheim and Coordinator Birte M. Horn-Hanssen for kindly inviting me to participate in several excellent PhD courses arranged by NORSI - Norwegian Research School in Innovation, to Dr. Bosse Bodén at ETOUR, for sharing your interesting thoughts on both Åre and tourist destination research and to Professor Dimitri Ioannides, who took on the role as my internal supervisor at ETOUR and as such offered very valuable help.

Thank you to ETOUR for being a great workplace with wonderful colleagues and for financing the research, and to the Department of
Social and Economic Geography at Uppsala University for letting me be part of your research environment. It was a true privilege. Thank you to Stiftelsen för kunskapsfrämjande inom turism, Kungliga vetenskapsakademien, Nordic Innovation Centre and Kungliga Vitterhetsakademien for showing interest in and supporting my research with valuable grants.

This journey also took me to a number of tourist destinations. Two were particularly important to the research - the Swedish resorts of Åre and Icehotel. I would like to express my appreciation to the many companies and individuals who have taken the time to participate in the interviews. In particular, I would like to thank Pocke Nilsson, Janne Andersson, Niklas Sjögren Berg and Yngve Bergqvist for their greatly appreciated help over the years.

As this journey now is almost over, I would like to express my greatest gratitude to my supervisor Professor Anders Malmberg. He has taught me a lot, not just about the academic world of research, but through his open-minded personality and diplomatic skills as well as how to better navigate the road. I truly appreciate the time you have given me, in the midst of your busy schedule as Deputy Vice-Chancellor. You have done a tremendous job as a ‘tour guide’ on this academic journey and filled it with new perspectives, insights and knowledge. You also gave me the freedom I needed to explore on my own and find my own paths. Thank you!

As with most travels - while they are exciting to embark on, nothing beats home. Thank you to my closest family – Pär, who is my rock and safe harbor, putting things in perspective when it is stormy and pointing out the important matters in life, and also supporting this work. Thanks to our sons Tim, Noah and Elliot – you truly gave life a new dimension more important than anything else. With you in my life, every day holds interesting little journeys and expeditions without even leaving home. Thanks to my bff Micaela, to my American sister Lisa, to my brother and finally, to my parents, who always made us believe that we could fulfill our dreams and yet were happy with us just the way we were.

Now this journey is reaching its end, but as always when a new chapter is about to begin, we need to ask ourselves – is it over or has it just begun? Off to new adventures…
This thesis is based on the following papers, which are referred to in the text by their Roman numerals.


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1. Introduction

Tourism is often identified as a future growth industry, and this has turned destination development into a key issue in local and regional development. In particular, many governments recognize the industry’s potential for fostering economic growth. Destination development is in this context understood as a process aiming at improving the attractiveness and functioning of places and regions as visiting areas, but in best case scenarios also as thriving communities and local entrepreneurial milieus characterized by growth and long-term development. However, despite such general optimism, many destinations face hard competition in their ambition to develop and grow.

The tourist industry is commonly described as highly fragmented, partly because most destinations include many small independent businesses, but also a number of other bodies and organizations from a range of sectors. This may explain why tourism has often been described as a system where interdependencies are essential (Ritchie and Crouch, 2003; Björk and Virtanen, 2005; Sundbo et al., 2007). Network relations – both formal and informal – can, therefore, play a significant role in helping to compensate for the fragmented nature in tourism (Scott et al., 2008) and tourist destinations can gain competitive advantages from combining expertise, knowledge and other resources held by their various stakeholders (Kotler et al., 1993; Hall, 2005; Weidenfeld et al. 2010; Scott and Flores, 2015).

The tourist destination is itself often conceptualized as a complex network with several levels of interaction – both networks of actors within the destination, but also networks linking it to its surrounding environment with potential and actual customers, other destinations, government bodies and so on. The inter-organizational relationships in destinations and the frequently high degree of inter-dependency between destination actors make tourism generally, and destinations in particular, well suited for network approaches (Scott et al., 2008). Network relationships have consequently received a central role in much contemporary discussion of local and regional tourism development (e.g.,
Tinsley and Lynch, 2001; Nordin, 2003; Pavlovich, 2003; Novelli et al., 2006; Dredge, 2006b; Sorensen, 2007; Pechlaner et al., 2010; Weidenfeld, 2013). It may even be fair to say that we cannot fully understand destination development in a particular community unless we have a good understanding of how the key stakeholders interact.

By applying a number of different network approaches that are based upon and united by a relational economic geography perspective to the study of destination development, we can widen our understanding of why there are different types of destinations: those that struggle to survive and ultimately decline, others that maintain a threshold of success as tourist visiting areas, and, finally, those that develop more broadly into local entrepreneurial milieus characterized by growth, competitiveness and long-term development.

On a more general level, this thesis deals with a traditional core issue in economic geography, i.e., to explain what it is that makes a place or region economically strong and characterized by growth. This thesis explores this issue, and expands our knowledge on the links between various kinds of networks and growth in a destination context. This is conducted by case studies, foremost based on the Swedish mountain resort of Åre, but one also focusing on Icehotel in northern Sweden and another one including a comparative study with co-authors who have done research in Whistler and Dolomiti Superski. The thesis consists of this comprehensive summary (‘kappa’), introducing and summarizing the thesis as a whole in seven broad chapters, followed by the five papers, each focusing on relational destination development from their respective perspectives.
2. Research Objectives and Design

This chapter presents the aims, objectives and research questions in the thesis and it discusses how the cases are selected.

2.1. Research Aim, Questions and Objectives

In this thesis, the two research fields of economic geography and tourism studies (discussed in Section 3) are combined to strengthen the link between the two by exploring what here is termed relational destination development. The papers that this thesis is based upon, draw upon partly different and yet overlapping theoretical perspectives. What they all have in common is that they contribute with partly different perspectives in trying to increase our understanding of destination development from a relational point of view.

On a more general level, the research deals with a traditional core issue in economic geography, i.e. to explain what it is that makes a place or region economically strong and dynamic. Naturally, this question requires a multitude of perspectives and angles to offer a more comprehensive and full-fledged understanding. There is no doubt that a large number of factors affect the growth and development in a destination such as Åre, currently and over time. These involve existing natural resources with the altitude and shape of the mountain being probably some of the most important ones, climate issues, the use of land, level of investments, economic fluctuations and factors such as location and accessibility, just to mention a few. It is, however, the assumption here that while all of these are important, a more focused approach is needed in this thesis to make possible a more profound analysis of the selected research themes.

It can also be argued, that it is the unique combination of certain factors characterizing Åre today and throughout its history that make up a unique explanation to its growth. This is probably true to some extent - a number of different factors have contributed to the long-term success. However, the very essence of a destination implies that there is a multitude of services and products in a geographically limited area, and,
that these are interdependent, which makes the relational perspective relevant.

The network constellations under study are naturally also part of a much wider context (economic, social and cultural) with for instance national politics, tax regulations, building permission regulations and regional politics affecting the destination and its development. Again, a deliberate limitation has been made to put the central focus at the local level, although happenings in the surrounding world sometimes are briefly discussed in the analysis to offer a deeper understanding.

Bathelt and Li (2014) point out that the “complex, underlying structures of organization, interaction, innovation and evolution” make up the core of enquiries in economic geography (p. 593). This is also true in this thesis and all five of the papers relate to these concepts in one way or another, as they are studied in the context of the tourist destination. In investigating this, the focus is on the actors and their action and interaction in network relations as well as on the dynamic social and economic processes of change and development that take place in destinations.

This means that a relational economic geography perspective will be applied to further explore the dynamics behind destination development and growth. The overall aim of this thesis is to investigate how various kinds of network relations impact upon and contribute to explain tourism destination development and growth, with the Swedish ski resort Åre as the main case in point.

Looking at destination development from the point of view of attempting to reach long-term development of the wider local and regional community highlights the importance of not just attracting an increasing number of visitors, but of attaining growth and development in other areas as well, such as population growth, increasing tax income and new firm formation in tourism and a variety of related fields, alleviating some of the problems associated with seasonality. This is exactly where Åre stands out in relation to many other destinations and the assumption in this thesis is that this kind of development may be a key success factor in reaching long-term growth.
Based on the overall aim, the thesis sets out to analyze destination development from a relational perspective by answering the following research questions:

- Who are the main actors driving destination development and how do they interact?
- How is a fragmented system like a tourism destination governed?
- How do network relations and governance structures transform as the destination develops?
- How do relative positions of different types of actor (public vs. private, locally based vs. externally based) shift over time, and what are the implications of such shifts?
- How can the networks structures and contextual factors often associated with cluster development be analyzed in the case of Åre and, possibly increase our understanding of destination development?
- How does innovation come about in tourism processes?
- What are the merits of ‘relational’ concepts and approaches like networks, social capital, public-private partnerships and local clusters when it comes to explaining successful destination development, exemplified by Åre?

To explore these research questions, perspectives and models from relational economic geography are applied to tourism to cross-breed destination development research. In order to answer the research questions, a number of case studies are carried out and reported in several papers, which are together elucidating the above discussed issues.

The specific objectives in the various papers are the following:

- The first paper explores the link between a destination’s development and its ability to change and reproduce its social capital, with the objective of gaining a better understanding of
how social capital is affecting and being affected by the process of destination growth. It also touches upon the possible conflict between the roles of ‘community’ versus ‘destination’.

- The second paper studies how the destination governance structure relates to destination development, with the aim of exploring the link between governance and growth in a destination.

- The third paper examines, by way of a comparative study, the transformation of destination governance through various stages of destination development and seeks explanations of the factors that trigger transformational changes in governance.

- The fourth paper shows how a cluster approach can contribute to a better understanding of tourism destination development by viewing the destination as an integrated system of more or less interdependent actors.

- The fifth paper increases the understanding of tourism innovation processes by using, critically discussing and developing the DUI (Doing, Using, and Interacting) mode of innovation and by exploring the case of Icehotel.

2.2. Case Selection

The two empirical cases that this thesis draws upon, can both, generally, be characterized as ‘success stories’. The main case, the Swedish mountain resort of Åre serves to create a greater understanding for most of the presented research questions, while the case of Icehotel in the north of Sweden is more closely connected to the issue of tourism innovation processes (Paper V).

In one paper (III) Åre is compared to two other ski resorts, in order to understand destination governance from a broader perspective. However, the research conducted in the two other countries, Canada and Italy, has been conducted by the respective co-authors of the paper.
Åre – Brief Historical Development

The destination of Åre is often described as a success story (which also is true for Icehotel, analyzed in the last paper). As such it has been subject to previous research, e.g., Bodén and Rosenberg (2001) who compare the historical development of a number of Swedish ski resorts, von Friedrichs Grängsjö (2001) who studies networks in Åre from a marketing producer perspective, Skålén (2011) who analyzes entrepreneurial processes and Nyhlén (2013) who studies regional politics in the municipality of Åre.

Particularly interesting from the point of view of this thesis, is Åre’s strong growth and development over the last few decades not just in terms of tourism, but from a wider community development perspective, evident from, for instance, the population growth in the destination\(^1\) (see Figure 2).

\(^1\) The destination of Åre here includes the parishes of Åre and Undersåker.
Figure 2. The population growth in the destination of Åre 1972-2016

Source: SCB, Statistics Sweden

To put Åre’s population growth in perspective, it is interesting to look at Bodén and Rosenberg’s (2001) diagram (see Figure 3) comparing five Swedish mountain destinations.

Figure 3. A comparison of the population growth in six major Swedish mountain destinations.

Source: Bodén and Rosenberg (2001)
Although their study ends around 2000, it is quite clear that Åre (the uppermost line) takes on quite a different, more positive path of development. Due to changes in the geographical borders of the parishes in question, it is difficult to extend the diagram to the present day and offer an accurate comparison.

Åre has a long history of travelers visiting the area, but volumes increased at the end of the 19th Century when the first hotel was opened. Another important landmark was the establishment of the railway in 1882. At that time Åre was mainly a summer destination. It was the establishment of the first ski lift in 1910 that marked the beginning of the development of Åre into a winter sports destination. The World Alpine Ski Championships that took place in Åre in 1954 made the resort better known internationally.

During the late 1960s and early 1970s, a government initiative was implemented to support a few premier recreational areas in Sweden with the aim of encouraging and enabling ‘regular’ people to visit recreational and ski destinations. This project would include the destination Åre. This meant that from the 1970s, a period started that was marked by an increased power by public stakeholders, in particular at the national and regional levels, but also the local government became more involved and took on ownership of tourist establishments for the first time, such as the ski lift. At the same time, the successful downhill skier Ingemar Stenmark became a national hero in Sweden and the interest in downhill skiing increased immensely.

During the 1980s, as Åre faced a period of great expansion, the influence of government stakeholders at all levels declined and private actors grew in number and significance. This period is described as being characterized by a ‘Klondike atmosphere’—it was a time when the destination attracted a large number of investors who flocked to the village to buy and sell property and then leave with good money. This would, however, soon change, as the bank and real estate crisis of the early 1990s struck Sweden and very clearly affected the destination of Åre. As some major private companies went bankrupt, a national state-owned credit company called Securum in charge of businesses with financial problems came to dominate the destination’s development.

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3 When the Swedish bank and real-estate crisis erupted in the early 1990s, it was one of the first major financial crises to hit an industrialized country since the 1930s. It resulted in a government take-over of failed banks.
In the late 1990s, ownership changes took place, which eventually would cause a shift in public-private influence and make the major external private corporation Skistar the dominating stakeholder in the destination during the winter season.

Skistar is a market-leading alpine skiing company that also runs the ski destinations of Sälen and Vemdalen in Sweden as well as Hemsedal and Trysil in Norway. In Åre, Skistar runs the ski area, ski rentals, ski schools, some accommodation and the destination booking system. In principle, Skistar is the destination-marketing organization of the winter season as well. The company still has a dominant position in Åre today, although a few large corporations have been established along with a destination company (the latter is majority-owned by Skistar).

During the winter, Åre is hence characterized by a highly commercial and industrial concept dominated by one or a few actors. However, in the snow-free season, the many small businesses get a more independent role, although Skistar’s role has increased recently since they have begun offering downhill mountain biking activities.

It is overall clear that Åre is successful in attracting new companies to the area. The number of new establishments is generally well above the national average. In particular during the 2000s, Åre has again experienced a new strong expansion and perhaps its strongest growth phase ever. The FIS Alpine World Ski Championships that took place in Åre in 2007 and again will take place in 2019 have also strengthened Åre’s position as an international skiing destination. Over the years, the community has been granted a large number of awards for its outstanding growth and performance. Most recently, the municipality won the award for being the ‘Super Municipality of the Year” in 2016 in the rural category, as granted by the newspaper Dagens Samhälle. They particularly emphasized Åre’s entrepreneurship as one of the outstanding factors. Åre as a ski resort was also granted the prize in 2016 for being the best ski destination in Sweden and this was their third year in a row as winners, a prize given by the World Ski Awards.

Unfortunately, data on overnight stays at the destination level over time offer an unreliable picture (due to changes in measuring methods over time, changes in the geographical borders of the destination in question and the fact that only accommodation with receptions are included, i.e., leaving out all privately rented housing). Ski lift turnover
can, however, also be regarded as a good measure of changes in customer demand at a destination such as Åre, which, during the studied period, has been highly characterized by ski tourism (see Figure 4).

Figure 4. The development of ski lift turnover in SEK million from 1981/82-2015/16 in the ski area Åre.

Previously, the municipality was also granted an award for having the highest growth rate in Sweden, issued by national public authorities based on further indicators of growth. This is even more interesting from the point of view that Åre is located in an area of Sweden that is suffering from a declining population trend and generally low economic growth. With this distinctiveness of Åre in mind, it is possible to argue that there is something unique and interesting with the destination development in this particular resort and that it is appropriate to conduct a single case study to try to learn more about its growth and development over time.

4 The evaluation is based on a quantitative study of population growth, employment rate and the development of tax incomes in the municipality. Based on the quantitative data, a number of municipalities are chosen to be part of a qualitative study focusing on factors such as political leadership, ability to cooperate (both politically, but also cooperation between the public, private, civil and academic sectors), development work and innovative, new thinking.
Icehotel – A Short Description

The case of Icehotel in Paper V covers tourism innovation processes, and was selected because Icehotel is one of the tourism innovations of more recent times that has attracted rich attention internationally. The destination, 200 kilometers north of the Arctic Circle in the northernmost of Sweden, is today more than well-known for its unique concept and the experiences it offers its visitors. It, however, started in a more traditional way with a focus on summer tourism in the 1970s. Jukkas AB (now Icehotel AB), which was the company that started the business, at the time offered activities such as fishing, river-rafting and various wilderness adventures. Up until Icehotel was built, the winters were the off-season with hardly any visitors.

The idea of turning the long, dark and cold winters from a disadvantage into an asset evolved in the late 1980s and early 1990s with an art exhibition igloo built on the frozen Torne River. It was never intended as accommodation, but nevertheless a group of guests spent the night in the igloo, keeping warm with reindeer skin and sleeping bags. They were thrilled about the experience and the idea of building a hotel out of ice was born. Initially the igloos and the art were built out of existing snow and it was only possible to conduct product development during a limited period of the year. A lot has, however, developed since then and today it is a year-round activity with continuous product development.

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5 The brief description is based on Paper V: Doing, Using, Interacting – Towards a New Understanding of Tourism Innovation Processes.
3. Research Context, Conceptual and Theoretical Foundations

In the first section (3.1), the research context of the thesis is defined. The two major strands of research that this thesis builds upon are presented – the relational turn of economic geography and tourism geography, respectively. The research presented in the papers combines these two fields and can thus be said to aim at strengthening the link between economic geography and tourism geography. This is followed by the second section (3.2) that introduces and discusses some central concepts in this thesis related to tourist destination research. The last section of this chapter (3.3) presents a brief introduction of the theoretical approaches applied in the papers.

3.1. The Research Context

This section introduces the fields of research that constitute the point of departure for this thesis.

The Relational Turn in Economic Geography

A classical research issue in economic geography is to explain the uneven spatial distribution of economic activities and why some regions or communities grow more or faster than others. This issue is also highly relevant to tourist destinations. According to Bathelt and Glückler (2003, 2011), a primary problem with many traditional approaches in economic geography studying this topic, is that regions have been treated as if they were economic actors themselves with their own locational characteristics, when they in fact are:

...socially constructed entities. And as such, dependent on the particular economic, social, cultural and political settings and realities under which people in firms and other organizations act and interact (2003, p.121).

The emergence of this latter perspective has created what can be referred to, as the relational turn in economic geography (Bathelt and
According to the relational view, the economic actors themselves to a large extent produce their own regional environment (Cooke and Leysdesdorff, 2006), which means that the economic and social context need to be the primary objects of analysis. Economic actors and their actions and interactions should consequently, according to this approach, have a central place in the theoretical framework with an emphasis on social and economic structures and relations (Bathelt and Glückler, 2003, 2011).

Economic geography has witnessed a rich conceptual debate during the 2000s, with a development of novel notions, perspectives and methodologies. In this debate, some concepts have received more academic attention than others, the field of relational economic geography being one of them (Bathelt and Li, 2014). Jones (2009) underlines this by stating that “thinking space relationally” has become the mantra in human geography of the early twenty-first century (p.488).

Yet, the concept of relational economic geography is generally not narrowed down to something very specific. On the contrary, it is a notion that covers a number of perspectives. Bathelt and Li (2014) describe it as “… a broad term which encompasses a number of approaches that relate to different research traditions…” (p. 592). As such it has attracted wide scholarly attention (e.g., Bathelt and Glückner, 2003; Boggs and Rantist, 2003; Jones and MacLeod, 2004; Boschma and Frenken, 2006; Murdoch, 2006; Sunley, 2008; Yeung, 2005; Bathelt and Glückner, 2011; Brouder and Eriksson, 2013).

While the strand of relational thinking is broad in terms of analytical themes, theoretical considerations and empirical examples, some researchers are emphasizing inter-organizational networks. Focusing on how firms and actors interact with each other can be one way of analyzing these economic and social structures and relations, often in relation to growth factors. Yeung (2005) writes:

To a large extent, the proponents of these relational frameworks argue that localized agglomerations and institutional structures are both necessary and sufficient to account for regional growth and development (p. 47).

As Dicken and Malmberg (2001) point out, there is a richness and variety of systemic notions within this field and the existing concepts or
models differ in the way they incorporate the territorial or spatial dimension, both in regards to the definition of the system, and in the analysis of its functioning.

Dicken and Malmberg (2001) illustrate the above with a number of significant concepts. Industrial networks (Håkansson, 1989, 2014; Axelsson and Easton, 2016), commodity chains (Gereffi, 1994), and industry clusters (Porter 1990, 1998, 2000) are described as primarily functional, meaning that the system is defined by various types of manifest relations – foremost business transactions, collaboration, and competition between the actors/firms who make up the system. The above-mentioned concepts are in general relatively weak in their focus on space and territory (Dicken and Malmberg, 2001). Other approaches have a stronger focus on the spatial and territorial aspects such as industry agglomerations (Malmberg and Maskell, 1997; Asheim et al., 2006), industrial districts (Becattini 1990), innovative milieus (Camagni, 1995; Maillat, 1998; Crevoisier, 2004), national and regional innovations systems (Lundvall, 1992, 2013; Fagerberg et al., 2013), and learning regions (Asheim, 1996, 2007).

Consequently, the analytical focus of relational economic geography tends to emphasize complex networks of relations among actors and how they relate to structures and processes of social and economic change at various geographical scales, particularly at the local and regional levels (Dicken and Malmberg, 2001; Bathelt and Glückner, 2003; Boggs and Rantisi, 2003; Yeung, 2004). The organizational structures are also embedded in institutional, cultural, and social relations and structures that are closely interconnected with the economic ones. They are, moreover, distinguished by certain accepted norms, habits, rules and other institutional characteristics (Granovetter, 1985; Bathelt and Glückner, 2003) - that often are referred to as social capital (this is the central theme in Paper I in this thesis and will be discussed further in section 3.3.).

When Bathelt and Glückner (2003) describe the spatial organization of production and how it is a result of various negotiations and compromises between firms, authorities and other institutions within a context of particular power relations, this can easily be compared to the destination with its organization and destination governance structure (which is studied in Paper II and Paper III in this thesis).
Hjalager (2000) raised the question of why economic activities in tourism generally, and in destinations more specifically, largely had neglected analytical frameworks, such as industrial districts and agglomeration economies. The fact that mainstream economic geography has largely focused on other types of industries – in particular manufacturing, in more recent time to some extent including producer services – probably offers one explanation.

However, since her publication, we have seen an increase in the number of studies applying these various models to tourism development and a growing interest in how networks influence destination structures, sustainability and economic success (e.g. Milne and Ateljevic, 2001; Hall, 2005; Jackson, 2006; Jackson and Murphy, 2002, 2006; Novelli et al., 2006; Santos et al., 2008; Erkus-Öztürk, 2009; Iordache et al., 2010; Weidenfeld et al., 2010; Weidenfeld et al., 2011; Fernando and Long, 2012; Pearce, 2014; Perles-Ribes et al., 2015).

Yet, much more merging and crossbreeding could take place for the benefit of both disciplines. The theories and concepts of relational economic geography with their focus on networks, interdependencies and processes of change are highly relevant from a relational destination perspective, which is why this approach will have a central role in the thesis.

Tourism Geographies

With its focus on place, space and environment, there are good reasons to imagine a close connection between human/economic geography and tourism. Despite this, the sub-discipline of tourism geography (nowadays often written in plural, indicating its broad spectrum), has struggled to gain acceptance within the broader geography community. As Mitchell (1979) writes: “… for some unknown reason, the investigation of tourism has not been accepted by a large number of geographers as an important academic or intellectual endeavor” (p. 236). Ioannides and Debbage (1998) also emphasized that economic geography of tourism was particularly absent.

It was not until the early 1960s that tourism studies with a geographical perspective started to appear more frequently (Pearce, 1979), even

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6 A sub-discipline that deals with the study of travel and its impact on places from a broad number of perspectives. For overviews of the field see Mitchell, 1979; Pearce, 1979; Mitchell and Murphy, 1991; Hall and Page, 2009.
though most of those studies tended to be descriptive case studies detailing the development trends in destinations. Yet there seems to be a wide agreement that geography can make a vital contribution to the study of tourism (Mitchell, 1979; Hall and Page, 2009).

Geographers have also contributed greatly to the development of tourism studies. Hall and Page (2009) refer to an analysis of the most frequently cited tourism scholars, indicating that nine out of the 25 most cited tourism researchers from 1970 to 2007 have an education background in geography. They mention scholars such as Michael Hall, Richard Butler, Geoff Wall, Douglas Pearce, Don Getz, Greg Ashworth, Allan Williams, Stephen Page and Gareth Shaw. However, Hall and Page highlight that a serious problem is that the work of these individuals very rarely appears in general human geography journals (they publish mostly in tourism journals) and, thus, these researchers are not readily identified as ‘geographers’ by their wider audience. In turn, this may mean that their conceptualizations may not be viewed as particularly ‘geographical’ either (Hall or Page, 2009).

There are also discussions on what ‘tourism geography’ actually is and entails and pleas for a conceptual clarification. This situation probably relates to the issue of the absence of a universally accepted definition of tourism per se (see 3.2.). Milne and Ateljevic (2001) write that it was in the 1970s and 1980s that tourism development - both focusing on the broader context and the outcomes of tourism development - started to gain more attention.

In that period two approaches are described as dominating the scene – first the dependency perspective (Britton, 1981) and secondly, Butler’s (1980) life cycle model – which is applied in some parts of this thesis (see also Section 3.2., Paper I and Paper III for more detailed descriptions). Inspired by the product life cycle, the notion of the Tourism Area Life Cycle was developed as a means of explaining how tourism destinations generally move through a cycle beginning with basically no tourism, to massive development and booms and, eventually, stagnation and decline; if not a rejuvenation stage is reached. It is described as “one of the most well-known contributions by a geographer to the

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7Britton (1981) argued that “the tourist industry, because of the predominance of foreign ownership imposes on peripheral destinations a development mode which reinforces the characteristic of structural dependency on, and vulnerability to developed countries” (p.19).
tourism field” and the article itself is one of the most cited articles in tourism, if not the most cited (Hall and Page, 2009, p. 5).

The geography perspective has also been relevant when studying how the tourism production system or the destination is affected and shaped by the larger environment it is part of, not least from a competitive perspective and in focusing on the embeddedness in a context of economic and social relations. This research approach has emphasized the significance of networks in studying tourism.

Milne and Ateljevic (2001) write that: “Notions of regions stimulating economic growth through a mixture of inter-firm relations, and cultural/political attributes have dominated much of the social science discourse on economic development since the early 1980s” (p.373). They also underline the emerging focus on communities and destinations, arguing that they too rely on network relations (private as well as private-public) to remain competitive and to develop competing products (ibid). Concepts such as industrial districts (Hjalager, 2000), Porter’s (1990) cluster theory (Jackson and Murphy, 2002; Nordin, 2003) and regional innovations systems theory have been applied to tourism (Svensson et al., 2006; Hjalager et al., 2008). This relates to the relational turn in economic geography and is of high relevance to this thesis.

Another turn in economic geography that has influenced some more recent tourism geography research is the evolutionary approach (Gill and Williams, 2011; Brouder and Eriksson, 2013; Ma and Hassink, 2013; Brouder, 2014; Gill and Williams, 2014; Sanz-Ibanez and Clavé, 2014; Brouder et al., 2016). In Brouder et al. (2016), the authors write that the:

EEG concepts are creating a new framework to aid not only in understanding how destinations evolve over time, but also in interpreting the role of tourism as a means of accumulating capital in destinations and its implications in terms of the dynamics of economic variety, environmental (in)equity and social justice (p. 9).

Bathelt and Li (2014) point out that:

Much of the empirical work using a relational framework aims at understanding why specific economic networks exist, what the nature of social relations is, and why this differs from place to place, while neglecting the dynamics of such structures (p. 593).
It can, however, still be argued that the evolutionary perspective is also touched upon within the relational approaches to economic geography. In another article, Bathelt and Glückner (2003) underline that the central organizational structures in relational economic geography are not static and that “An evolutionary perspective is required to understand the dynamic nature of the organization of firms and value-chains…” (p. 133). Overall, the evolutionary and relational economic geography perspectives are not seen as competing approaches, but rather perspectives that can be integrated and strengthen each other (Bathelt and Li, 2014; Sanz-Ibanez and Clavé, 2014).

Bathelt and Glückner (2003) also bring up *path-dependence*, as in how the decisions, actions and interactions of the past affect the present, and to some extent the future. They discuss ‘*contextuality*’, that is the contexts of social and institutional relations (Granovetter, 1985, 1992), from a dynamic perspective. They also add *contingency* as a third relevant cornerstone, since economic processes can be contingent in the way that strategies and actions of agents cannot be predicted. They may deviate from existing development paths leading to a certain degree of unforeseeable happenings (Bathelt and Glückner, 2003). The evolutionary perspective, in terms of the historical development of destinations, is foremost dealt with in this thesis in a comparative article on Åre, Whistler and Dolomiti Superski (see Paper III). This perspective is important, particularly since happenings in the past often affect the present and due to the fact that relationships and organizational structures are dynamic and in constant change.

The Weak Link between Tourism Geography and Economic Geography

Gibson (2008) states in his report on tourism geographies that: “Although not taken seriously by some, and still marginal by many, tourism constitutes an important point of intersection with geography…” (p.1). However, even though there are clear connections between the two fields, it has been argued that the discipline, and particularly economic geography, has not fully acknowledged tourism as a research area (Britton, 1991; Hall and Page, 2009; Gibson, 2009). As an example, Gibson (2008) writes that in over four decades of the journal *Economic Geography* only two research articles on tourism have appeared. Despite this, it is not correct to say that tourism researchers have neglected the main issues in economic geography. Instead, as stated above, geographers
conducting tourism research appear to have chosen to publish their articles largely outside of their own discipline (ibid).

The contribution of research related to tourism geographies has increased in recent time and Ioannides and Debbage (2014) describe a “phenomenal explosion of literature relating tourism to the overall discipline of geography since the late 1990s” (p. 107). Yet, on the whole, the academic isolation of tourism geography described by previous researchers appears to remain (ibid); it is still a fact that most publications are published in tourism-related journals. Ioannides and Debbage (2014) place the responsibility primarily on the researchers of this academic strand, writing:

That this remains a problem is very much the fault of many tourism geographers – including ourselves – who consistently preach to the choir rather than attempt to spread the fruits of their research to a broader audience of geographers (p. 108).

However, another perspective of this is put forward by Hadjimichalis and Melissourgos (2012), who describe a large well-read literature on economic geography (e.g., Daniels, 1993; Lee and Wills, 1997; Sheppard and Barnes, 2000; Dicken, 2003; Barnes et al, 2004; Tickell et al., 2007) which present basically no references at all to tourism. This shows that tourism overall has been very much absent in the major economic geography debates.

As Debbage and Ioannides (2012) point out, a number of geographers have also noticed this weakness over time and argued for the importance of strengthening the ties between tourism and economic geography (e.g., Shaw and Williams, 1994; Ioannides, 1995; Ioannides and Debbage, 1998; Agarwal et al., 2000). Even though there are some recent contributions (e.g., Pearce, 2014; Sanz-Ibanez and Clavé, 2014), a lot more remains to be done. One fundamentally overlooked issue brought forward by Coles et al., (2008) that is also being discussed by Ioannides and Debbage (2014) is the absence of considerations on how the merging and crossbreeding of tourism and economic geography should in fact play out. In this thesis, an attempt is made to combine the two research fields of economic geography and tourism research and hence contribute to the rather weak link by exploring what here is termed relational destination development.
3.2. Core Concepts in Tourist Destination Research

This section will introduce some core concepts in tourist destination research and discuss factors affecting destination development and growth.

Tourism and the Tourist Destination

Both ‘tourism’ and ‘tourist destination’ remain complex concepts, lacking universally accepted definitions, partly due to the multidisciplinary nature and the multidimensionality of tourism studies (Debbage and Ioannides, 2004; Smith, 2017; Saraniemi and Kylänen, 2011). Pearce (1989, p.1) suggests that:

Tourism has been defined in various ways but may be thought of as the relationships and phenomena arising out of the journeys and temporary stays of people traveling primarily for leisure or recreational purposes.

The relationships and phenomena referred to generally take place within a tourist destination. Many definitions are, however, broader and include business travel as well, such as the one by the World Tourism Organization stating that:

Tourism comprises the activities of persons travelling and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. (Tourism Highlights, 2009).

A similar definition is offered by Mathieson and Wall (1982, p.1):

Tourism is the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to these needs.

The advantage with this definition is that it acknowledges both the supply and the demand sides of tourism.

Tourism is hence a process involving a change of place by individuals, often stimulated and motivated by a desire to visit places (destinations), where tourism products are produced to be experienced by visitors. Tourism is basically a geographical phenomenon since tourism requires

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8 For an overview, see Smith, 2017.
the transfer of people, goods and services through time and space (Williams 1998; Smith 1995).

Viken (2016) presents a number of terms that are used essentially as synonyms with ‘tourist destination’, such as ‘tourism area’ (Butler, 1980), ‘tourist place’ (Baerenholdt et al., 2004), ‘tourist region’ (Saarinen, 2004) and ‘tourism system’ (Leiper, 1990).

Leiper (1979, 1990) has contributed with one of the most frequently quoted models of the tourism system. He bases his model on three core elements. First of all, the tourist who is the actor in the system, secondly, the businesses and organizations that contribute to the tourist supply and that make up the tourist industry. And thirdly, there are geographical factors that contribute to the understanding of the tourism structure. Of these, the three factors, the traveler generating region, the tourist destination region and the transit route belong to the core of the system and then the tourism system is surrounded by environments (such as human, socio-cultural, economic, technological, physical and political or legal structures), which is the fourth factor.

This thesis focuses on the feature Leiper refers to as the tourist destination region (sometimes also called the tourist-receiving region), but also on the businesses and organizations part of that region and in particular, the networks of the actors that from the perspective of this thesis should have been given a more prominent role in the model considering their importance in understanding destination development.

Tourism studies often take either a supply side (factors at the destination) or a demand side approach (the tourist). According to Debbage and Ioannides (2004), there is a lack of theorization in economic geography of tourism’s supply-side, for instance investigations on why a certain destination benefits more than another from tourism and a lack of understanding of the components of tourism and the manner in which they interact. This can still be described as inadequate today.

The term destination is one of the most frequently used concepts in tourism studies. The concept is as such much discussed and yet as Pearce (2014) points out it is such a frequently used term that its meaning sometimes is not even defined, but rather taken for granted. Still, the multitude use of the concept has led to numerous studies and several models attempting to capture its essence (Butler, 1980, 2006; Gunn, 1993; Laws, 1995; Pearce, 1989, 2014; Saraniemi and Kylänen, 2011).
The destination is often described as a system with a number of elements such as attractions, transport, accommodation, other services and infrastructure. Bohlin and Elbe (2007) state that a destination is a place or area where tourism is taking place.

Framke (2002) has conducted what constitutes perhaps the most thorough academic overview of the destination concept. He concludes that while the destination is often described as a narrative created by marketing and as “a place structured by processes and experienced through social actions” at various geographical levels, there is little emphasis on the destination in terms of geographical boundaries and hardly ever as a place with clear borders. This relates to Viken (2016), who argues that even though destinations are related to regions or places, they are primarily socially constructed. From this view, destinations are being produced and reproduced continuously. Saraniemi and Kylänen (2011), however, take an economic geography perspective and emphasize destinations as defined geographical areas, which also traditionally in tourism geography has been the case with destinations being everything from the Eiffel Tower, to Venice, to Tuscany and finally nations or even continents.

In terms of the central elements making up the tourist destination, Framke concludes that a destination mainly consists of three central elements – attractions, facilities and services. The destination is also looked upon as an agglomeration of these elements along with experiences that are consumed by the tourist, often constituting the purpose of the travel. What Framke leaves out in the discussion, is that the local community, often part of or overlapping the destination, is often defined from a geographical perspective, such as a place with borders or boundaries.

Pearce (2014) relates the destination to various systemic notions, trying to synthesize the key elements of industrial districts, clusters, networks, systems and social constructs. These concepts partly relate to the local community and its role in destination development. However, while it is a worthy cause to aim for a more integrative conceptual framework of destinations, it could also be argued that some of the concepts are overlapping to such an extent that his main argument of synthesizing them fails. Pearce acknowledges this weakness by stating that: “To avoid getting bogged down in semantics, we acknowledge this variation in terminology, recognize that some overlap may occur between categories, and concentrate on the key features of each concept” (p. 2).
The problem with this approach is that it can become too superficial. It is the suggestion here that it is more constructive to use these theoretical perspectives in a more profound way (which for example is elaborated upon in Paper IV, using the cluster lens in analyzing a destination), rather than to try to combine them all into one model or framework. Pearce confirms the importance of the notion of interdependence and the need for cooperation in destinations and that these various theoretical perspectives are complementary and cumulative.

Framke (2002) also addresses how the need for cooperation at the destination level is described in the research and tourism literature. From an economic perspective, he argues that cooperation is foremost looked upon as a means of production, since tourists demand complementary products. However, he also concludes that most authors dealing with the destination issue “do not analyze in any depth how the individual products as part of a range of complementary products are related to one another” (p.104). He continues by identifying a need for further research on the role of cooperation in tourism.

The existing destination frameworks are, moreover, sometimes criticized for being static, lacking dynamic characteristics and not portraying development in terms of intangible values such as networks and their contribution to destination development (Tinsley and Lynch, 2001). The dynamics and evolution of destinations have, however received more attention in recent time (e.g., Gill and Williams, 2011, 2014; Brouder and Eriksson, 2013; Brouder, 2014).

Björk and Virtanen (2005) further acknowledge the importance of complementarity. They argue that the aim of cooperation in a tourism setting is rarely scale economies through pooled assets, but rather the creation of synergy effects through complementary resources. The interdependences are, however, not limited to actors within a geographically defined area. On the contrary, they include, for example, those packing products together and selling the various services as well as transportation agencies, which may be located far away from the destination. Taking the producer perspective, the destination can hence be described in terms of a business network consisting of various actors offering services related to a somehow geographically based area for various segments of tourists (Elbe, 2002). Only exceptionally is one producer or firm in full control over a destination (Kaspar, 1995).
To sum up this discussion, it is clear that there is no single answer as to the question of what a destination is. Most agree that some kind of geographical boundaries are involved, but the examples show that it can be just about anything from a continent such as South America to a sole attraction such as the Icehotel in Jukkasjärvi.

This thesis is based on the following understanding of the notion of a tourist destination:

- A tourist destination is geographically located (including the existing physical resources), but with no clear and set boundaries. It is hence something dynamic in constant change.

- A tourist destination is characterized by interdependencies, where complementary products and services often are required to satisfy the customers and where trust and reliability are vital, since production and consumption, to a large extent, take place simultaneously.

- A tourist destination involves structures and processes taking place over time, which means that it is important to handle the fact that relations between variables also change in due time. An approach acknowledging dynamics is therefore needed.

- A tourist destination is something socially constructed, and it can therefore appear different with regard to relationships, content and shape depending on who you ask. This is particularly relevant to keep in mind in the empirical work when conducting interviews.

In this thesis, the destination is consequently viewed as a complex network system with several levels of interaction between the various actors and with generally high interdependencies. It is viewed as a network system that is geographically based, but with dynamic boundaries, structures and processes that change over time and with links to the surrounding world. The studies in this thesis mainly focus on the supply-side of tourism.
Tourism Network Approaches

Since the tourist destination can be considered a node in a network, if you regard it as one entity related to sending areas and other destinations, or as a network in itself, if you focus on the many internal relationships that it comprises, it is often argued that the tourist industry provides the ideal context for network analysis. In this thesis, the destination is looked upon as a complex network system with several levels of interaction between various actors. In terms of a definition, Scott et al. (2008) state that the “network concept is based around relationships between entities such as organizations and people (termed nodes)” (p.1) and that the properties of the networks studied often relate to the structure of these relationships. Nodes are sometimes replaced with actors and relationships/connections with bonds or social ties.

With an increased use of network theory to try to understand various aspects of destination development and management, the number of definitions has grown and so has the number of areas where the network concept has been applied. Dredge (2006a) suggests two main streams in the tourism field. First, there is a body of research related to the strategic network organization of firms, and how the nature of resource exchange and social transactions affect economic efficiencies, innovation and complementarities (e.g., Braun, 2002; Pavlovich, 2003; Tinsley and Lynch, 2001; Tremblay, 1998). These studies tend to focus on the structure and relational capacity of networks to increase profitability, synergy and complementarity. Secondly, there is a stream of research related to the nature of public-private interest structures and the effect of these on tourism policy making and implementation (e.g., Dredge, 2006b; Pforr, 2002; Tyler and Dinan, 2001).

Scott et al. (2008) introduce a similar classification, but add a third group, i.e., tourism networks that form and function mostly:

- around economic and business-related issues (such as business cluster development, cooperative marketing and product packaging),
- around community issues (such as power, influence and legitimacy), and,
- around environmental issues (such as forestry management and land care).

The networks studied in this thesis can be related to both of Dredge’s categories and the first and second of Scott et al. How the network
perspective is more specifically used is described in each respective article. The network term is used as an overarching, more general concept in this thesis and does not relate to one specific strand of network research, but on the contrary, to various theoretical foundations, described in Section 3.3.

Destination Competitiveness, Growth and Development

Viken’s (2016) main observation in regard to destination research is that it is largely dominated by a growth paradigm. Terms relating to this, such as destination competitiveness, growth and development are frequently occurring concepts in this thesis. They are all complex notions, and yet they are quite frequently used without even being defined. The concepts also partly overlap and are used in a multitude of ways.

There is no reason to believe that competitiveness plays a less significant role in tourism than in any other industry. Ritchie and Crouch (1993) argue that tourism competitiveness is closely linked to the context of fostering destination prosperity. In their book of 2003, they continue this discussion and argue that:

…what makes a destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations (p.2).

Hudson et al. (2004) have also investigated some frequently used definitions and they have summarized some of the most vital features describing destination competitiveness. Their conclusion is that destination competitiveness has been defined as:

- The ability of a destination ‘to maintain its market position and share and/or improve upon them through time’ (d’Hauteserre, 2000, p. 23).
- ‘To compete effectively and profitably in the marketplace’ (Goeldner and Ritchie, 2003, p.417).
- ‘To create and integrate value-added products that sustain its resources while maintaining market position relative to competitors’ (Hassan, 2000, p. 240); and
Competitive advantage is a concept that is now accepted as one of the main factors behind business and industry success. Models explaining the factors behind competitiveness have been developed. One of the more recognized contemporary theorists in this field is Porter who presents a model of industrial competitiveness based on five basic forces – the threat of new entrants to the market, the threat of substitute products or services, the bargaining power of buyers, the bargaining power of suppliers and the nature of rivalry among existing firms (Porter, 1980). Porter focuses primarily on the competitive environment external to the firm, basically leaving out the internal organization and factors in the macro environment. Porter’s model has been applied to the tourist industry, but attempts have also been made to develop models with the specific focus of tourism and travel (e.g., Ritchie and Crouch, 2003).

The discussion of destination competitiveness in the literature is often connected to Butler’s life-cycle concept (Flagestad, 2002). Butler (1980, 2006) focuses on the growth and development of tourist destinations, and suggests that the volume of tourists rises and falls over time and can be compared to the sales curve of the product life cycle. According to Butler’s framework, a destination goes through six distinctive stages: exploration, involvement, development, consolidation, stagnation, decline or rejuvenation (for a more thorough description, see Paper I). In this thesis, the model is used to analyze Åre’s historical development based on the six stages. Even though the model has also been a target of criticism (e.g., Haywood, 1986; Getz, 1992; Williams, 1993; Agarwal, 1994), there is a general agreement that the life-cycle model has contributed to the conceptualization of destination growth and dynamics, which is closely linked to long-term competitiveness (Cooper, 1990).

In this thesis, destination competitiveness is viewed as closely related to destination prosperity, growth and development. This is based on the idea that a destination that is able to increase tourism expenditure increasingly attracts satisfied visitors at the same time as being able to cater to the needs of the destination residents and develop, in a sustainable way. That is to say, a destination that is able to maintain and
improve its market position (and share) while also competing effectively will also grow and develop accordingly.

This perspective gives growth and development a much wider meaning than, for instance, the more traditional way of defining growth in terms of GDP. The thesis is based on this broader perspective, where a primary assumption is that the networks of a destination may have a significant effect on its growth and development. Destination competitiveness, growth and development are by no means simple concepts to define, explain or measure. However, in the studies part of this thesis, destination growth and development is analyzed in relation to Butler’s life cycle model, arguing that a destination that is able to remain competitive and rejuvenate will grow and continue to develop over time.

A second means of analyzing destination growth and development here, is to relate it to the joint visions in the main case of Åre, where reaching growth and development is one of the major goals. There, it is measured, for instance, in terms of more guests, a higher frequency of repeated visits, an increase in guest beds, restaurant seats and skier days along with growth built on financial, ecological and social sustainability (for a more detailed description, see Paper II).

Thirdly, competitiveness, development and growth are part of Porter’s cluster approach, arguing that prosperity is not inherited but rather created and that competitiveness depends on the capacity of its industry to act in ‘coopetition’, innovate and upgrade. In the final paper about tourism innovation processes, the focus is not so much on growth as on continuous unique product/destination development.

Factors Affecting Destination Development and Growth

The development of a destination depends on a number of factors. One important aspect is of course the geographic dimension. In this context, Pearce (2014) discusses the geographic aspects and, by referring to previous research, he points out the importance of place attributes, existing natural resources, that tourism is inserted into a given territory and that tourism resources generally cannot be relocated. Pearce argues that these factors partly have been ignored and he suggests that this can primarily be explained by the increasing influence of cluster and network proponents, suggesting that success is no longer
ultimately based on resources and other comparative advantages. Instead emphasis is put on “the way in which these are exploited in a competitive manner” (p. 8).

The physical, geographic dimension has certainly been of importance in the main case that is explored in this thesis, the mountain resort of Åre in northern Sweden (see Section 2.2.) with ski tourism being very dependent upon the mountain, its altitude and the developed mountain infrastructure. However, the fact is that the mountain and other natural endowments only offer us an explanation as to how tourism developed, why people visit the destination in question; why they ski, go mountain biking, hike, etc. in Åre. It does not offer us a full picture of why people move there permanently; why the destination attracts firms, why it keeps growing and developing in an area that generally is suffering from the opposite trend. It is hence the assumption here that there is something more to its strong growth than merely geographical preconditions and that it interesting to further investigate the destination from a relational and economic geography perspective.

In the case of Icehotel (explored in Paper V), the river along with snow, ice, climate and darkness make up the main natural assets. These are, however, not very place-specific and a number of copies/hotels built out of ice have appeared in other places. Icehotel competes with being the original Icehotel, with their uniqueness and continuous product development, which is highly dependent upon actors in their networks.

In both cases, it could of course be argued that the destination’s success and growth is the result of a number of factors working side by side, re-enforcing one another. It could, for example, be claimed that it is the unique combination of certain factors characterizing Åre today and throughout its history that make up a unique explanation of its growth (cf. path dependence). This is probably true to some extent - a number of different factors have contributed to the long-term success. However, again, the very essence of a destination implies that there is a multitude of actors providing services and products in a geographically limited area and that these are both connected to one another and dependent upon each other.

The continuous development of inter-organizational relationships in destinations sustains the theory that actors are not self-sufficient, but rather need support from other groups or organizations in their environment. This implies that there is often a high degree of dependency
between the destination actors (Björk and Virtanen, 2005). The point of departure for the thesis is consequently the assumption that we cannot fully understand the context of destination development in a particular community unless we have a good understanding of how the key stakeholders interact and share resources, of the network formations between businesses and between public and private actors, of the localized cooperation and trust.

3.3. Theoretical Approaches Applied in the Papers

All five papers relate to network structures in a destination context, but from various perspectives and theoretical foundations. These will be briefly presented in the following section.

Social Capital

Following Putnam’s work on social capital in 1993, a massive body of research in this field has been produced. Four theorists are, however, often pointed out as having made seminal contributions to the research – Bourdieu, Putnam, Coleman and Fukuyama (Field, 2003). Each one of them offers their own definition of the concept.

Bourdieu (1980), who is often credited with having made the social capital concept familiar in Europe, focuses on the individual level, stressing that it is the external networks of an individual or group that give access to social capital. It is hence produced via the links to the individuals (Westlund, 2006).

Coleman (1988, 1990) builds on the initial work of Bourdieu and looks at social capital as a form of economic resource for action. In contrast to Bourdieu, he does not think of it as a private property, but rather as an attribute of the social structure in which a person is embedded. Accordingly, it is the links within the group or between groups that constitute social capital (Westlund, 2006).

Whereas both Bourdieu and Coleman describe social capital in terms of network attributes that can facilitate certain actions of actors, Putnam (1993) and other political scientists tend to stress how actions of the actors facilitate the working of institutions, for instance how trust between individuals makes institutions function better. In general, the
early social capital literature has a strong emphasis on civic or public good applications.

Putnam’s definition, furthermore, stresses features of social organizations – trust, networks and norms with a strong focus on civil society (ibid.). Trust is a feature that is commonly seen as a component of social capital and that is often given a central role in research. Putnam, for instance, sees it as a source of social capital (Putnam, 1993), whereas Fukuyama (1995, 1997) largely equates social capital with trust, and Coleman sees it as a form of social capital (Coleman, 1988).

In line with the expanding literature on social capital, the number of definitions has increased considerably. This definitional ambiguity has also been criticized (Portes, 1998). However, a common characteristic of many definitions is that they include social networks and the norms and values that are distributed within them.

In this thesis, social capital is viewed as a type of (social) infrastructure developed through the existence of networks, in turn consisting of nodes and links. The nodes are actors (individuals and organizations) who establish links (relations) between each other. Norms, values, preferences and other types of information are distributed in the interactions in the social networks.

Social capital can hence be viewed as the total sum of the links in a community, being of value for both the individual actor and the community as a whole. It is also looked upon as something that can be found in all parts of society – the public, private and civil sectors of a community, which implies a broader view than in many social capital studies. The social capital of a community is here looked upon as a product of both its past and presence. It can be based on historical and cultural factors with roots deeply buried in a region’s past as well as built up through dense interactions of actors engaged in joint activities taking place this very moment, providing the basis for cooperation, trust and collective action (cf. Wolfe, 2002).

Applying these thoughts to a tourism context, it is clear that most destinations develop over time and that the actors, the networks they engage in as well as their norms, values, preferences and so on, to some extent, change in due course. Most well-known international tourism resorts have emerged from once small unknown places. Yet fairly little research has examined the link between a destination’s development
and its social capital, that is, if and how the transformation from a small place to a major commercial tourism destination affects the social capital of that community and what role social capital plays in that development process.

Governance and Destination Governance

In tourism, as in many other fields, old forms of more bureaucratic and centralized policy-making have often been replaced with new forms of interactive governance based on collaboration and partnerships (e.g., Hall, 2000; Pforr 2005). Hence new governance arrangements have emerged at different levels of society (local, regional, national) and in different sectors.

Although the governance concept has been subject to research in many disciplines that have given the term different meanings, governance often refers to a variety of network concepts used for describing and analyzing how policy processes are shaped, managed and organized. In this thesis, the concept of governance is mainly based on the definition by Rhodes (1997), stating that: “Governance refers to self-organizing, inter-organizational networks characterized by interdependence, resource exchange, rules of the game and significant autonomy from the state” (p 15).

This means that the resulting networks, including both state and non-state actors, are self-governing and autonomous and that old forms of command and control methods are less commonly used by the public sector, and often replaced by new ways of governing and steering based on interdependence. The governance concept is, however, by no means one-dimensional and unproblematic (Hirst, 2000; Pierre and Peters, 2000; Rhodes, 1997).

Originally, the shift from government to governance was initiated due to financial problems, so on the one hand local governments were empowered to make more decisions locally, but on the other hand, they were financially more restricted. This led to many local governments trying to become more business-like in their daily practices (Elander, 2002). Consequently, the 1990s saw the development of a movement towards more differentiated governance forms and fragmentation (ibid). The shift towards governance has also caused democracy, transparency and accountability issues.
The assumption in this thesis is still that the governance perspective can make an important contribution in developing our understanding of the dynamics, or lack of dynamics, of a certain destination. This statement is based on a few simple assumptions about the functioning of tourist destinations.

First, there is multi-actor complexity in a destination, i.e., destinations are rarely run by one single actor and firms rarely develop in isolation. In this multi-actor situation, or network complexity, the various actors may have diverse interests and sometimes have different perceptions of reality, depending on their points of reference. Analyzing how these actors interact, reach consensus and solve joint problems may therefore be of interest. The regular interactions between the actors are often caused by their need to negotiate shared purposes and exchange resources such as information, trust and expertise.

Second, this means that there are certain resource dependencies between the actors in the destination that constitute important dynamic factors and that need to be understood. Third, the public–private interplay in the destination (which can be looked upon as one aspect of the multi-actor situation), i.e., the formal and informal relationships between the local government and the tourist industry may be of crucial importance to the development of the destination.

When Paper II, based on this theoretical approach, was published, it was among the first to apply the governance concept as such to the tourist destination. Since then, the concept of ‘destination governance’ has gained recognition and attracted increasing research interest (e.g., Beritelli and Bieger, 2014; Halkier, 2014; Laws, 2011).

Cluster Theory

Cluster-based economic development received increased attention after the publication of Porter’s work “The Competitive Advantage of Nations” in 1990 and by the turn of the century, it had almost turned into a ‘buzz word’ among many policy makers, in worst cases trying to ‘create’ rather than support clusters to boost the economy. Porter (1998) pointed out that economic geography in an era of global competition posed a paradox:

“In theory, location should no longer be a source of competitive advantage. Open global markets, rapid transportation, and highspeed communications
should allow any company to source any thing from any place at any time” (p.77).

Yet, it was obvious that in practice, location remained a critical factor to competition with the proximity of companies in a limited geographical area providing competitive advantages.

In his work on clusters, Porter stresses functional linkage, but also spatial proximity. For a cluster to exist, firms should be linked to each other, there should be geographical proximity, and there should be some form of self-awareness and governance structure (Asheim et al., 2006). Co-located firms are hence assumed to generate economies of scale and positive externalities, contributing to their productivity and competitiveness. A cluster is then, by definition, an interconnected system of companies and institutions whose value as a whole is greater than the sum of its parts.

The cluster concept has been recognized worldwide and has had a great impact, but it has also been subjected to both critical reflection and criticism (e.g., Storper, 1997; Davies and Ellis, 2000; Martin and Sunley, 2003; Maskell and Malmberg, 2007; Weidenfeld et. al., 2011), regarding its conceptual clarity and empirical foundation. There have also been debates on whether the cluster concept at the time was something new, or just a new word for a phenomenon that has more or less always have existed. Clearly, why similar and related activities form geographic concentrations (agglomerations), how different types of related economic activities develop in relation each other and finally, how a company is affected by the place where it is located are traditional core issues in economic geography.

However, Porter argues that the reasons behind co-locating have changed and turned into a more deliberate choice to locate close to other companies to benefit from a local environment where new products and services are developed, the level of innovation is high, increased specialization takes place and the latest knowledge and information (alongside skilled labor) are available.

Initially cluster theory was to a large extent applied to the manufacturing industry and industrial systems where the primary output is a material product (Porter 1990; Porter, Sölvell and Zander, 1991). Not until the early 2000s were the first attempts made to apply the cluster approach to tourism destination studies (Jackson and Murphy, 2002; Nordin, 2003). The initial studies were followed by further research
where the cluster concept has been applied to tourism in various ways (e.g., Hall, 2005; Jackson, 2005; Jackson and Murphy, 2006; Novelli et al., 2006; Santos et al., 2008; Erkus-Öztürk, 2009; Iordache et al., 2010; Weidenfeld et al., 2010; Weidenfeld et al., 2011; Fernando and Long, 2012; Perles-Ribes et al., 2015). Despite these, it has been argued that the application of the cluster approach in tourism is in a comparatively early phase (Santos et al., 2008). Perles-Ribes et al. (2014) state, that Porter’s cluster theory – after its initial popularity – never received the same recognition in tourism as in many other sectors. Yet there are a lot of similarities between the cluster and destination concepts and good reasons to believe that a cluster approach can increase our knowledge on destination development and possibly add new perspectives and insights.

Tourism Innovation

Innovation has become central in the discussion on how to foster long-term economic growth and development (Isaksen and Nilsson, 2013). Also in the field of tourism, innovation has received a more prominent role over the past decade (Hjalager, 2012). However, the growing interest in the tourist industry from a growth and innovation perspective is a rather recent phenomenon. For a long time, there was little contribution to this field of tourism research, with the exception of Hjalager (1994, 1997, 2002). Tourism innovation has also been analyzed to some extent within the context of industrial districts (Hjalager, 2000) clusters (Nordin, 2003) and innovation systems (Flagestad et al., 2005, Svensson et al., 2005; Hjalager et al., 2008).

It has also often been claimed that innovation in general is not as common a phenomenon in tourism as in the manufacturing industry (Mattsson et al., 2005), sometimes taking it as far as to argue that innovations are non-existent in tourism. More recent research has, however, supported the notion that this is not the case, showing that they may not even be less frequently occurring, but rather sometimes taking on different features making them harder to detect and count (Rönningen et al., 2010).

A general definition of innovation can be quite broad: “Innovation is the search for, and the discovery, development, improvement, adoption and commercialization of new processes, new products, and new organizational structures and procedures.” (OECD, Regulatory re-
forms and innovations, p. 17). Hjalager’s classification of tourism innovation also supports the view of a broader interpretation of innovation and a wider categorization. Hjalager describes an appropriate subdivision of innovations into six categories – product, process, managerial, management, logistics and institutional innovations (Hjalager 2002, 2010). From this perspective, innovation takes place in individual organizations, but can also be understood as a process at aggregate levels, at tourist destinations.

In recent years, tourism research has contributed to create a clearer picture of the prerequisites, tools, processes and impacts of innovation in tourism. However, there is still a need to develop conceptual models of innovation drivers, both to stimulate deeper scholarly inquiry, but also to guide stakeholders in the field.

The tendency to associate innovation with the linear model (suggesting that technical change happens in a linear fashion from invention to innovation to diffusion), with patenting and with R&D activities and investments primarily in high-technology sectors has been dominating the scene for a long time. In the ‘traditional’ sense, innovation has consequently rarely been associated with tourism (Hjalager, 2012).

On the contrary, there has been a strong focus on the manufacturing industry. It may even be fair to say that innovation theory has been developed on the basis of manufacturing industry presumptions (Sundbo, 1997). This goes as far back as the Schumpeterian (1939) way of describing innovation from a manufacturing/production perspective. Barras (1986) was one of the first researchers to argue that innovation in services followed different patterns than innovation in the manufacturing industry.

With the emerging literature on service innovation, a new emphasis on non-technological innovation has materialized (e.g., Sundbo and Gallouj, 1998). Consequently, as services have reached a more dominant position in the economy in many western countries, there has been an increased focus on service innovation and on tourism innovation as a part of it. While tourism innovation as such has received more attention over the past decade, the innovation policy aspect in the field of tourism is still described as largely overlooked (Hjalager, 2012).

Overall, it is fair to assume though that innovation plays just as important a role in the service sector as to the manufacturing industry and
that there is a correlation between the growth of tourism and the degree of innovation. The starting point in this thesis is that innovation takes place in all kinds of industries, it is primarily a matter of how we view and support innovation and innovation processes by virtue of the models and frameworks we use.
4. Research Design and Methods

In this chapter, the research design and methods used will be discussed. The research approaches and processes, with its limitations and advantages, will be presented alongside reliability and validity issues.

Both the phenomenon (the positive growth and development in Åre and the successful tourism innovations at Icehotel) and its context need to be studied and it is therefore important to define a unit of analysis. This may differ from one within-case observation to another, although there preferably needs to be some connecting factor.

The unit of analysis in this thesis would be the network structures/processes of change and the object of analysis the destination development of Åre/innovations at Icehotel, whereas the unit of analysis in the first article is social capital, in the second and third is destination governance, in the fourth one cluster structures, factors and processes and finally, in the fifth one, tourism innovation processes.

4.1. The Single Case Study

The limitations of a case study like this are obvious. It is impossible to wholly dismiss an assertion that Åre might be a unique place, from which no general conclusions can be drawn and the same argument applies to Icehotel; how can one case reliably offer anything beyond the particular? This issue of external validity or generalizability is one of the most prominent critiques of single case studies and it is indeed valid from certain perspectives.

Flyvbjerg (2006) also states that two of the most common arguments against in-depth case study research, are that you cannot generalize from a single case and that case studies are subjective in character, leaving too much room for the researcher’s own interpretations. However, Flyvbjerg (2006) continues by discussing five oversimplifications or misunderstandings about case study research. First, he argues against the idea that “general, theoretical (context-independent) knowledge is more valuable than concrete, practical (context-dependent)
knowledge” (p. 221). Instead, Flyvbjerg argues that social science has not successfully produced general, context-independent theory and with that in mind, case study research is well suited to produce the concrete, context-dependent knowledge that we often find in social science (ibid). He also emphasizes the importance of the closeness that the case study offers to real-life situations and its richness of details.

Following that, Flyvbjerg debates against the idea that it is not possible to generalize based on a single case and that the research therefore cannot contribute to scientific development, as he discusses a number of historical examples where individual cases, experiments and experience have been critical to current knowledge, concluding that:

One can often generalize on the basis of a single case, and the case study may be central to scientific development via generalization as supplement or alternative to other methods. But formal generalization is overvalued as a source of scientific development, whereas ‘the force of example’ is underestimated (p. 228).

Flyvbjerg’s third argument is that case study research is valuable to a wide array of research activities, including both the generating and testing of hypotheses and not foremost useful for generating hypotheses in an early stage as often argued, according to the author.

His fourth point deals with the idea that the research method has a tendency to confirm the researcher’s preconceived notions and thus contains a bias toward verification. On the contrary, he argues that the proximity to reality that the case study method offers and the learning process it generates offers the researcher a more advanced understanding than other methods.

Finally, Flyvbjerg’s last point is that case studies often entail rich narratives with contradictions and complexities from real life and as such, they should not be summarized into general propositions or theories or a scientific formula. They deserve to be studied in their entireties. It is hence not so much case study as a research method as the case itself that causes the limitations. Flyvbjerg, moreover, questions whether generalization and summarizing research results really is the desirable ideal.

However, on the other hand, criticism of generalization is of minor relevance when the intention of the study is one of particularization – of generating a deeper insight and understanding of the nature of the
research problem and in-depth descriptions of complex social phenomena. Andersen (2013) also states that generalizations from case studies can often be seen as implicit hypotheses, even when they are not presented as such.

There is, moreover, a difference between statistical and analytical generalization, where single case studies are unsuitable for the former but can retain significant value for the latter, which generalizes to theories rather than populations. The same difference also applies to theory-testing versus theory-building, where single case studies are not the most appropriate in terms of theory confirmation, but can contribute to theory-building (Gerring, 2004, Andersen, 2013).

This means that even though the research in this thesis, first and foremost, is based on single case studies, there is a good chance that the conclusions can have a broader and more general relevance that can be explored in other destinations. Hence case studies like these can contribute by forming the basis for new hypotheses and research questions while also encouraging comparative studies.

One paper is also based on an international comparative case study method. The cases were selected, because of a large number of similarities, to offer good possibilities to compare governance structures over time. With only three cases though, some of the issues discussed above also apply to this study, above all, the generalization issues. Another possible limitation is that differences in interpretation of questions and observations, cultural and institutional differences, language issues, etc. cannot entirely be ruled out, even if the issues have been brought up and thoroughly discussed. This may consequently affect the accuracy of the comparative work.

However, like single case studies, this methodological approach and study also offer good possibilities to form new theoretical assumptions and new hypotheses that can be tested further, along with explanatory models. In addition to that, this approach can highlight both similarities and differences found between the three selected cases.

4.2. Inductive Case Study
The chosen case study approach does not imply the use of a particular data collection method, since case studies can be conducted by using
either quantitative or qualitative data (Yin, 2009). In this case, there is a strong emphasis on the latter. The methods applied are also described in the papers, but a brief description and discussion follow here as well.

This thesis is primarily based on an inductive approach putting an emphasis on the case and the research’s real-life context, but nevertheless also has some deductive elements. Case studies are often used to study something unique. However, even if the case is unique, it is possible to apply existing theories or to use the case for theory development – or even both. Since it is basically impossible to conduct research without any kind of pre-assumptions about the object of analysis and about where to start looking for explanations, most research with some kind of explanatory goal is to some extent testing theory as well (Esaiasson et al., 2002).

*Figure 5. Induction vs. Deduction*

In this case, the research focus has emerged out of an observed phenomenon – a destination with a positive development and growth and another with successful tourism innovation processes - making this thesis ideal for case study design. Gerring (2007, p. 212) describes a case as “a spatially and temporally delimited phenomenon observed at
a single point in time or over some period of time.” He also points out that an “individual case may...be broken down into one or more observations, sometimes referred to as within-case observations.”

Yin (2009) offers a similar definition, when he describes a case study as empirical research a) “investigating a contemporary phenomenon b) within its real-life context; c) when the boundaries between phenomenon and context are not clearly evident, and d) in which multiple sources of evidence are used” (Yin, 2009 p.23).

The research approach used here can, on a general level, be classified as an interpretative field study. Within the interpretative methodology, the methods referred to as processual research (Hinings, 1997; Orton, 1997; Weick, 1993) may be of particular interest, since it studies organizational phenomena (which is relevant when studying a tourism destination) and in particular focuses on issues such as patterns of behavior among groups in a given context and on understanding the meaning of organizational behaviors.

One advantage with the processual research approach is that it allows for iterations between theory and analysis and for variations of the research questions to form from the data analysis itself. This can be described as an open-ended process of inductive reasoning and pattern recognition described to, for instance include the following structure (Pettigrew, 1997, p. 344):

The core question of the study → related themes and questions → preliminary data collection → early pattern recognition → early writing → disconfirmation and verification → elaborated themes and questions → further data collection → additional pattern recognition across more case examples → comparative analysis → a more refined study vocabulary and research questions.

Aside from the deductive themes and questions helping in the pattern recognition process, the interviews in this thesis were based on theoretically influenced questionnaires that added structure to the data collection process (see also section on interviews). This structure is important in the process of interpreting and contextualizing meanings of the respondents’ beliefs and practices.
4.3. The Case Study Process

The case studies in the thesis can, overall, be described in terms of Yin’s case study process (Yin, 2009, p. 1):

![Diagram of Yin's (2009) Case Study Process]

The planning process is initiated by identifying a research question or a rationale for doing a case study. This is followed by a comprehensive literature review and thoughtful considerations of the research questions and study objectives, including the identification of gaps in the literature that are related to the research questions. The choice of research method is determined by a number of factors, such as type of research question and the focus on contemporary vs. historical phenomena.

The design stage emphasizes defining the unit/s of analysis and the cases to be studied. At this point, developing theory or propositions and clearly showing the theoretical foundations for the study, identifying underlying issues in the upcoming study and selecting case study design are dealt with as well as developing procedures to maintain a high quality in the case study investigation.

In this thesis, the decision has been made to focus on relational factors and more specifically on the role of networks and processes of change from a relational perspective in destinations and how they affect growth and innovation. In studying this, the thesis focuses on two successful destinations – Åre in terms of development and growth and Icehotel in terms of innovation. It could, on one hand, be criticized that the destinations have not been selected randomly. Both in terms
of how that may affect the results in the thesis, but also on their ability
to contribute to knowledge that can be generalized. However, strategic
selection or non-probability sampling was selected as this thesis fo-
cuses on competitive advantages and in a sense on standing out from
the rest. As Starbuck (2006) writes:

Studies of exceptional performance are inevitably concerned with extreme
cases, and to understand the requirements of exceptional performance, one
must study extreme cases, not averages (p.150).

Strategic sampling is largely based on subjective decisions about which
things we choose to observe and study, and factors such as the re-
searcher’s background, expertise, experience and familiarity with the
object of study often influence the decisions made (Becker, 2008). Stra-
tegic sampling is often associated with case study research.

The problem is that extreme cases are rare and rare enough not to show
up in random samples. Consequently, selecting successful cases when
trying to understand extraordinary results can be legitimized here
where there is a need to single out cases for qualitative analysis, which
allows in-depth understanding and that are suitable for specific (often
processual) research questions, such as the ones in this thesis.

The design stage, is according to Yin’s process (2009), followed by a
stage of preparing, which means focusing on, for instance, developing
skills as a case study investigator and conducting a case study protocol.
According to Yin (2009), a protocol helps maintain a high quality and
increased reliability of the study, by emphasizing factors such as data
collection procedures, an outline of the case study report and case
study questions. During this stage, it is also important to reach an
agreement with the case study participants on any limitations on data
disclosure, identities, etc.

In this case, all respondents were promised full anonymity and that the
interviews as a whole would not in themselves be published, but rather
only used for analytical purposes by the authors of the papers. This was
done throughout the thesis with the exception of anonymity for the
interviews at Icehotel. The reason for the latter was that the study at
Icehotel also focused on the management of innovative tourism estab-
ishments and it was therefore important to be able to identify the
views, beliefs and practices of the management.
The preparation stage was followed by the collect stage, described in the next section, which then is followed by the final step, i.e., to report the findings, analyze them and finally write them down in academic texts.

4.4. Semi-structured Interviews

Case data for the articles which are part of the thesis were collected in four various interview sessions with different thematic emphasis. With regard to the main case of Åre, in depth semi-structured interviews with a total of 34 respondents were used as the main method of collecting information. A non-probability sampling method was used, as the respondents were not chosen randomly, but rather strategically.

Fourteen of the interviews were conducted in the first session that focused on governance structures and informal networks. All respondents from that interview period had some sort of influence and/or formal position in the destination at the time when the interviews took place. The sampling was made to receive a variation in terms of private and public actors (the latter including both politicians and civil servants). Some of these were part of an informal destination strategy group studied and others were not. The private participants were selected to get a variation in terms of company size, type and time spent in the destination.

Ten of the interviews took place in session number two that focused on the historical development of the destination. In this session, the respondents were chosen with the aim of acquiring knowledge of the destination’s various development phases, i.e., to get a historical and evolutionary perspective.

Both private and public actors were interviewed; some had their roots in the community, whereas others came from other parts of the country, some still lived in the area and others had only spent a period of their life in the destination and then left the community. This was done to get an insider/outsider perspective and to be able to examine to what extent they correlated.

In a third round, ten interviews were conducted with actors who were part of various present business networks in Åre, and focused on interrelations between firms in the destination. A distinct emphasis was put on the relationship between the dominating actor Skistar and actors
either working with them or being dependent on them in other ways. Interviews were conducted with both leading managers at Skistar and destination actors dealing with the major operator. The latter were chosen to get a variation in size and type of business. All respondents were active in Åre, except one of Skistar’s managers, who was based outside the destination.

The three interview sessions in Åre were spread over a long period, allowing the researcher to follow the development over time. This also offered the possibility of both comparing the respondents ‘answers and attitudes in the different interview sessions to see how much they correlated and to make comparisons over time. It, moreover, paved way for a type of snowball sampling, as people that were mentioned in, for example, the first interview session later were selected as respondents in the second one. Some key informants were interviewed more than once, but on different topics.

In the case of Icehotel, eight semi-structured interviews were conducted with people who have been involved in developing Icehotel. Some are still active and others were part of the earlier phases; some work at Icehotel and others have provided financial and business support, both private and public actors. The selection was made intentionally to get views from different perspectives. The focus of these interviews were on innovation processes and innovation systems.

All 42 interviews lasted approximately one to one-and-a-half hours. They were all conducted solely by the author of this thesis, recorded and later transcribed or summarized for analysis. The transcripts were first sent to the respondents to ensure a correct understanding. This was done to reduce the problems caused by subjectivity.

There is naturally the risk that some of the respondents could change or withdraw statements that can be regarded as ‘less politically correct’ or ‘hostile’ towards other actors. That was, however, not a major problem in this study. The empirical data for the cases of Whistler, Canada and Dolomiti Superski, Italy were collected entirely by the co-authors from those countries (see Paper III).

9 A type of sampling technique that works like chain referral. After observing the initial subject, the researcher asks for assistance from the subject to help identify people with a similar trait of interest.
In addition to the interviews, a number of reports, policy documents, strategy documents, destination development analysis and historical documents related to the destination were examined to deepen the understanding of the studied objects. When reconstructing a process, especially from the past, there is always the risk of informants forgetting or rationalizing their behavior or the behavior of others after some time has passed. Hence, when doing a historical analysis, which was the case in two of the papers, it can be important to compare the information given by interviewed respondents with other sources of information.

In this case, newspaper articles from the early 1970s until the present date in the two local newspapers were selected and structured according to the same themes covered in the relevant interviews. I was given access to a private archive with newspaper articles and in addition to that, searched at the public library, where I entered certain words. Initially I did a broader search entering the search word ‘Åre’.

This was followed by a more specific search on certain topics, entering search words such as ‘Kabinbanan’ (new ski lift), ‘VM’ (Alpine World Ski Championships). The focus was on what events were being reported on, who the interviewed persons were, what they stated and how these incidents and happenings were described both by the newspaper reporters and by those interviewed in the articles. There is of course also a risk that newspapers and documents do not always accurately reflect reality either. However, the combination of interviews, documents and newspaper articles offer multiple separate sources of information.

4.5. Reliability and Validity

Reliability generally addresses how accurate your research methods and techniques produce data and validity whether the means of measurement are accurate and whether they actually measure what they are intended to measure. The relevance of the concepts of reliability and validity in qualitative research has been questioned.

However, both qualitative and quantitative researchers need to show and test that their studies are credible. In qualitative research, this issue often deals with the involvement and role of the researcher within the
research process, dealing with credibility, trustworthiness and transferability (Golafshani, 2003). This is partly due to the fact that the analysis phase in case studies can be the most difficult to describe. Even if some of the evidence used may be empirical, the analysis will often be largely subjective based on the researcher’s knowledge, level of understanding, intuition and assumptions (Smith, 2017).

In the studies of this thesis, as in many qualitative studies, there is always the risk of misinterpreting respondents, of ‘choosing’ which answers and facts to focus on and there is furthermore, the problem of respondents possibly choosing what to share and not to share.

To minimize these risks, the interviews have first of all, been transcribed and then discussed with the co-authors of the articles as well as sent to the respondents to ensure correct understanding. Most conclusions in the papers are based on several interviews (particularly evident in Paper I on historical development).

Secondly, other sources (such as newspaper articles and public protocols) have been used to compare with the respondents’ responses). Thirdly, in choosing respondents, these have been selected to represent various ‘sides’ of the destination. One politician, for instance, had long since left his political career, whereas another one was actively involved at the time of the interview. Some respondents were part of the Vision 2011 constellation (analyzed in Paper II), others were not. Some interviewees were still living in the destination, whereas others had left, etc. All respondents were, furthermore, promised full anonymity, which may open up for a more free discussion.

In trying to limit the issues with reliability and validity, Yin’s suggestions on how address the issues have largely been followed, presented in Table 1 on the next page.
Table 1. Addressing key analytical issues in case studies

<table>
<thead>
<tr>
<th>Issue</th>
<th>Tactic</th>
<th>Phase of research</th>
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<tbody>
<tr>
<td>Construct validity</td>
<td>Use multiple sources of evidence. Document the sources of evidence used &amp; how they were interpreted. Ask the respondents to review your summary of their words and your conclusions. Look for patterns and connections in your data.</td>
<td>Data collection.</td>
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<tr>
<td>Internal validity</td>
<td>Create alternative explanations for your findings and observed patterns. Access the plausibility of alternative conclusions in light of evidence &amp; logical explanations. Use explicit models to represent logical relations.</td>
<td>Data analysis.</td>
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<tr>
<td>External validity</td>
<td>Develop conceptual models for use in single case designs. Compare evidence, specific findings and conclusions in multiple case designs.</td>
<td>Research design.</td>
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<tr>
<td>Reliability</td>
<td>Develop and adhere to a case study protocol. Create a database for your study and review it periodically to search for ambiguities, contradictions or logical anomalies. Use multiple coders. Compare findings with those in previous studies you may have conducted or conduct multiple case studies.</td>
<td>Data collection.</td>
</tr>
</tbody>
</table>

Source: Adapted from Smith, 2017, which in turn is based on Yin, 2003
4.6. Coding and Analysis

In Yin’s (2009) description of the case study process - which the case studies in the thesis follow - the collect phase is followed by the analyze stage. After the interviews were conducted, the task of coding the information was next. Transcripts of the interviews, both in the form of recordings, notes and ultimately transcribed materials were used. The coding process took place after all interviews in that particular interview session had been completed. This was mainly due to practical circumstances, since there was some distance to the destinations in question.

Since the questionnaires of the studies in the thesis were divided into a number of sections depending on the themes covered, this allowed for an analysis of the data material accordingly. However, line-by-line coding was also used, to help identify new themes and ideas. It is sometimes argued, see for example Glaser (1992) that the researcher should approach the transcripts without preconceived ideas about what themes that will emerge. This was, however, not the case in this thesis. On the contrary, the alternative approach, discussed by for example Strauss and Corbin (1990) was used in searching for themes. This approach involves searching the literature and being well-versed in the studied phenomenon. This naturally means that caution must be exercised to avoid seeing what you want to see when reading and interpreting the transcript (Smith, 2017). The coding phase led to the identification of common themes and underlying patterns. It was not done in a linear way, as I went back and looked at earlier transcripts again in the light of new insights and to group some themes together, sorting, combining and comparing.

The findings were illustrated with anonymous quotations from the interview transcripts in the papers and book chapter. One journal editor also required that all quotations were trackable back to the individual interviews. In the other papers, the statements were also categorized according to, for instance, private or public actors, big or small actor, etc. First individual case reports/analysis were written and then when all case-studies were conducted, this was followed by a joint analysis and cross-case conclusions.

Yin’s (2009) last stage focuses on sharing the results. This research has led to two published papers and one book chapter that have all been scrutinized in double-blind review processes. In addition, there are two papers that are submitted to journals.
5. Paper Summaries

This section will summarize and discuss the five papers that are part of this thesis. They focus on various aspects of destination networks and processes, foremost within the tourist destination, but also on links to the surrounding world. They apply various models or use different lenses from relational economic geography when studying destination development. Together, they can lead to an increased understanding of relational destination development.


In this paper, Butler’s life-cycle model is applied to the Swedish destination of Åre, as it analyzes the resort’s transformation from a small mountain village in the 1960s into Scandinavia’s leading alpine ski resort of the present day.

Research Objectives and Theoretical Foundations

When a destination goes through a transformation from a small village to an international resort, a lot of conditions and factors are bound to change. New actors will enter the picture, commercialization is likely to get a boost and village citizens often tend to increasingly lose influence to actors at national and international levels. The process is characterized by a strong local development, with the life cycle providing a framework for analyzing the growth of the destination. This paper attempts to develop Butler’s life cycle theory by combining it with social capital theory.

Social relations have been assumed to play a central role in these development processes, not least in peripheral communities like the destination of Åre. It is consequently our assumption that major changes in a destination will also affect its social capital. **The aim of this paper is therefore to add this perspective to Butler's life cycle theory and try to understand and explain whether there is a link between**
a destination’s development and its ability to change and reproduce its social capital. The focus is on analyzing how it is affected by the process of growth, for instance through increased exposure to external influence and internal divergence and the role of social capital in the development process. This is relevant since research suggests that it may affect both the economic performance of regions and the efficiency of political institutions (Putnam, 1993; Fukuyama, 1995; Coleman, 1988, 1990). This focus may contribute to an increased understanding of how destinations and the actors connected to them are affected by the process of growth and increased commercialization, showing how influence changes between actors or groups of actors over time.

Social capital is here viewed as the total sum of the links in a community, being of value for both the individual actor and the community as a whole. It is also looked upon as something that can be found in all parts of society – the public, private and civil sectors of a community, which implies a broader view than in many social capital studies. The social capital of a community is, moreover, looked upon as a product of both its past and present. It can be based on historical and cultural factors with roots deeply buried in a region’s past as well as built up through dense interactions of actors engaged in joint activities taking place this very moment, providing the basis for cooperation, trust and collective action (cf. Wolfe, 2002) and in that sense being both bonding and bridging. There are, however, also examples when social capital can be exclusionary.

Little research has examined the link between a destination’s development and its social capital, that is, if and how the transformation from a small place to a major commercial tourism destination affects the social capital of that community and what role social capital plays in that development process.

Findings
What can be seen in the first paper is that Åre’s social capital has, in broad outlines, developed and transformed in accordance with the stages of the life cycle model. From a social capital dominated by local influences, new actors have emerged and new values and networks have been synthesized with the old. In more recent time, the new major actors, domestic and foreign, have brought partly new values of professional commercialization to the destination. These new actors have,
in many respects, taken over the leading roles in Åre and hence changed the power balance in the destination through their dominant position.

However, even though the social capital was further exposed to influence from the outside, it is clear that ‘the past’ has had a great influence on the future and that new and partly old norms and values had to adjust to one another. The shared passion for skiing is still there, strongly adding its imprint on the ski resort, showing that some values have ‘survived’ the transformation over time. This is also evident from the many ‘lifestyle companies’ that have established themselves in the destination in more recent time. The social capital has also been reproduced in new kinds of constellations of networks, such as the public-private Vision 2011 group, where ‘people of the past’ are meeting regularly with actors who have entered the destination more recently.

It is also clear in this study that in order to achieve destination growth, it is not enough to have a professional, highly commercial actor enter the destination, bringing in their company values and doing things strictly their way. In order to reach long-term success, networks and values that have developed over a long time need to be merged with the new networks and values. In this respect, Åre seems to be an example of social capital transformation where local and external networks and values are adapted to each other, creating syntheses. This development can be compared with the two extremes where a) local actors stop a tourism destination from developing further by preventing external actors from establishing in the area, or b) places of mass tourism where external actors completely have taken over the destination and local networks and values languish or suppress. Åre seems to have been able to follow a middle ground method.

It is also suggested in the paper that social capital may have been an important driver for the rejuvenation process in the destination of Åre, and that it is an important factor in the more recent success of the Vision 2011 group (explored in Paper II), which has been able to mediate between the local and external networks and values.
5.2. Innovative Destination Governance - The Swedish Ski Resort of Åre

Paper II and III largely share the same theoretical foundation – destination governance theories. Destination management and planning have a central role in much tourism research, but it was not until the mid-2000s that the concept of destination governance gained ground (see e.g., Nordin and Svensson, 2005; Beritteli, Bieger and Laesser, 2007). Ever since, there has been increasing interest in research relating to this field. Questions of how decisions about future developments are made, which actors and institutions are empowered to make them, where they are made and in whose interest have all been addressed; and, networks, partnerships and public-private coalitions have been analyzed.

Research Objectives and Theoretical Foundations

Lately there has often been a tendency in tourism, as in many other fields, to replace old forms of more bureaucratic and centralized policy-making with new forms of interactive governance based on collaboration and partnerships (e.g., Hall, 2000; Pforr 2005). From this perspective, governance often refers to a variety of network concepts used for describing and analyzing how policy processes are shaped, managed and organized.

With this ongoing transformation and reconsideration of the role of the public sector, new arrangements and structures are developing, new actor constellations are taking form and new kinds of cooperation, participation and accountability are progressing, all embodied in the concept of governance – a concept that also focuses on managing these new constellations and networks (Scharpf, 1978; Kooiman, 1993).

If governments and firms have a common interest in a certain development, recognize their resource dependencies, and realize that their goals cannot be achieved single-handedly, the link between government bodies and the tourism industry becomes of particular interest. In this respect, research into destination governance may be of vital importance for understanding the dynamics, or lacking dynamics, of tourist destinations (cf. Svensson, Nordin and Flagestad, 2005). The interest in destination governance models facilitating a successful development has also increased (Gill and Williams, 2011).
The aim of the second paper is to explore governance with its public-private interface and its possible impact on destination development. In essence, the relationship between the local government and the tourism industry are at the center of attention as well as the exercise of power in a variety of situations. The link between governance and growth in a tourist destination will be discussed in order to answer the following research question: **does governance structure matter in terms of destination performance and if so, how?**

The governance concept is applied to a tourism context in the mountain resort of Åre. The focus is on social networks and relationships, with an emphasis on those between the public and the private sectors, as one particular destination governance model – the Vision 2011 group – will be investigated and analyzed.

**Findings**

This paper investigates an informal governance network called the Vision 2011 constellation at the turn of the century. The focus is on destination management and planning and its role in destination development and growth. Hence, the study of Åre from this point of view looks into a new and at the time mostly successful destination governance solution.

Focusing on the link between governance structure and destination growth, the solution with the Vision 2011 constellation worked very well in Åre at a time when growth was prospering. Yet the organizational form is far from unproblematic. First of all, there is the dilemma that a destination in one respect is regarded as one united actor and in another respect consists of a large number of actors. This creates a need for a balance between centralization of joint decision making (which in the Åre study seemed to be a more effective option) and more democratic procedures in which one actor has one vote. Even if it proved to be more effective, another question is, for how long it can work? Vision 2011 was a highly closed body for most destination actors, with its tight group of self-elected members. Vision 2020, its successor, tried to engage destination actors on a much broader basis. That transformation has not been evaluated here. However, it could be that this sort of informal, undemocratic form of governance is bound to a specific phase of a destination’s development and to a limited period in order to remain successful. Vision 2011 appears to have been a good solution for the phase Åre was in at the time, in terms of reaching growth and development.
Secondly and closely related to this issue, is the question of whether the Vision 2011 group even can be regarded as a legitimate actor with its informal character. It was a self-appointed, closed network with no official records and no one to claim accountability from. Yet it was one of the most important actors in terms of influencing the development. The informality created some problems, at the same time as it probably offered some clues to the success behind the group. It clearly lacked a democratic mandate; at the same time as it delivered results that was to the benefit of the destination as a whole. How this is handled by destination actors not part of the constellation is hence an interesting issue, in particular if this governance solution is to be replicated in other destinations.

The vision itself is also of importance. In this respect, reaching its objectives does not appear to have been the sole ambition. Meeting regularly and discussing destination development, resulting in development processes appears to be just as important, if not even more important. However, the significance of a joint vision should not be underestimated. It can play an important role in uniting the various destination actors and in creating joint destination development processes.

Who the real power over the local development in Åre belongs to - that is also an interesting question. The two major private actors in the Vision 2011 group have owners that are based outside the destination. This indicates a shift from internal to external influence. At the same time, there has been a shift from public to private actors over time, which can make us question how powerful the local government really is, keeping in mind that they are also keen on keeping major commercial actors in the municipality. Yet Vision 2011 has been an important meeting arena for public-private interplay, where a more-or-less shared view, trust and understanding have developed in due course. The form of destination governance found in Åre hence supports the general change from government to governance, and confirms the importance of public-private networks in policy-making and in forming destination strategies. More than anything, this study shows that the informal public-private network and the informal meetings have been far more important and influential in terms of destination growth than formal procedures and structures.
5.3. Destination Governance Transitions in the Evolution of Mountain Resorts

This paper is also based on destination governance theories, exploring governance of destinations over time and in three different countries.

Research Objectives and Theoretical Foundations

While the latter paper focuses on one particular destination governance model, this one explores governance transformations over time. It is evident that changes in governance structures and strategies can provide useful keys to understanding the dynamics and competitiveness of destinations. However, there are still unresolved issues regarding governance as a dynamic process and the mechanisms that are adopted over time in response to changing social, economic and political environments.

The aim of the paper is to examine transformations of resort governance through various stages of destination development. In this paper, we compare the experiences in selected mountain resorts in three countries; Åre, Sweden; Whistler, Canada; and, Dolomiti Superski, Italy. As a framework for the comparative analysis, we adopt the notion of the ‘life cycle’ (Butler, 1980) that allows a general identification of evolutionary stages within which to examine the dynamic adaptations of governance. In comparing the experiences of the three destinations, we seek explanations of the factors that trigger transformational changes in governance – either as commonly experienced forces of change or as place-dependent factors.

Findings

This paper is a comparative study of Åre, Whistler and Dolomiti Superski, which, like the first paper in the thesis, focuses on the destinations’ development over time. However, in this paper, the focus is on destination governance over time and the experiences in the selected mountain resorts are compared to seek explanations of the factors that trigger changes in governance, both as commonly experienced forces of change or as place-dependent factors.

What we can see in this paper is that destination governance transforms over time, as do the network structures that comprise the governance organizations. Destination governance is hence an adaptive
phenomenon that clearly is affected by a number of inbound and outbound elements. We can see that different adaption paths exist in the various destinations studied and that both more volatile governance models and more stable ones can be found.

In terms of some key elements affecting destination governance structures in mountain resorts, major sporting events, such as the bidding for and arranging of the Winter Olympics and the Alpine World Ski Championships, from early on in the destinations’ development stages have played decisive roles. These major events have also increased the interest and commitment of public actors in tourism destination development, which, particularly in the early stages, had not always been the case. In later stages of destination development, these major sporting events seem to function as a factor uniting destination actors, both public and private – simply because a joint governance approach is needed in order to first win the bidding, and secondly to pull these events off in a successful manner.

We can also note the impact of key entrepreneurs or entrepreneurial groups (often public-private coalitions) in forming governance structures and in setting ‘the rules of the game’. All three destinations have experienced a development towards an increasing non-local ownership and increased influence of private, commercialized actors. Although this has partly been met with skepticism among other destination actors and residents and it has sometimes also been resisted, it seems to have been a rather successful approach overall in all three destinations, supporting Flagestad and Hope’s (2001) corporate governance model. It is evident though, that while the corporate versus community model is valid, there is need for more governance dimensions in order to capture the essence and dynamics of governance transformations over time, such as local/non-local and private/public.

Temporary crisis and periods of decline also seem to play an important role in governance change. Sometimes these new governance structures are more or less forced upon the destination in question, whereas other times the initiative comes from the actors themselves. In some cases, the influence of public actors tends to increase in these situations. However, the role of government at different levels is more place-specific and varies from case to case. There is a slight tendency towards public support playing a more decisive role in the initial stages of destination development at mountain resorts, whereas public actors
take on more of the role of development accelerators in later stages and seems to be less successful in the role of a proactive entrepreneur.

In order for mountain resorts, and most likely destinations in general, to achieve success over time, static models and measures do not provide the adequate tools. A dynamic and yet efficient governance model is rather needed. It is also prevalent in the Whistler case (although not overlooked in the other two) that the sustainability dimension needs to be given a more comprehensive role in long-term destination development and success and that pro-growth strategies alone are not the key to reaching the ultimate durable development, regardless of what destination governance model is in place.


In the early 2000s, cluster theory was introduced in tourism and destination research (e.g., Hjalager 2000; Jackson & Murphy, 2002; Nordin, 2003). Those initial studies have paved the way for further research where the cluster concept has been applied to tourism in various ways (e.g., Hall, 2005; Jackson, 2006; Jackson and Murphy, 2006; Novelli et al., 2006; Hall, 2008; Santos et al., 2008; Erkus-Öztürk, 2009: Iordache et al., 2010; Weidenfeld et al., 2010; Weidenfeld et al., 2011; Fernando and Long, 2012; Pearce, 2014; Capone, 2015; Perles-Ribes et al., 2015).

Overall, there has been a large focus on whether a certain destination or area can be seen to constitute a tourism cluster or not, and whether the cluster diamond model developed by Porter (1990) is applicable to tourism (e.g., Kim and Wicks, 2010; Perles-Ribes et al., 2015).

However, more recent tourism research—as with economic geography more widely—has also acknowledged the increasing importance of evolutionary approaches in regional development (e.g., Gill and Williams, 2011; Brouder and Eriksson, 2013; Ma and Hassink, 2013; Brouder, 2014; Gill and Williams, 2014; Sanz-Ibanez and Clavé, 2014; Brouder et al., 2016). The evolutionary economic geography perspective is sometimes described as causing a paradigmatic shift in cluster research, from understanding network structures to analyzing dynamic changes over time (Bathelt and Li, 2014).
While we acknowledge that contemporary local and regional economic development is conditioned by earlier events and conditions, we also find, in line with Bathelt and Li (2014), that the evolutionary perspective underestimates the importance of the underlying structural context. Firms in clusters are embedded in networks of socioeconomic relations. While these are certainly not static, they do form preconditions that structure subsequent developments.

Research Objectives and Theoretical Foundations

We argue that the debate on whether tourism destinations qualify as “true clusters” (cf. Malmberg and Power, 2006) and the focus on identifying them have gained rather too much attention. Instead, it is more productive to emphasize how a cluster approach can contribute to our knowledge on tourism destination development and help us identify the structural context. The point of departure for this paper is hence the assertion that we earn better knowledge on, and add important perspectives to, tourism destination development by regarding the destination as an integrated system of more-or-less interdependent operators – as a localized cluster.

Of the theoretical frameworks used in this thesis, the cluster approach is the one that may offer most similarities with the destination concept. A cluster is then by definition an interconnected system of companies and institutions whose value as a whole is greater than the sum of its parts, a definition that also can be applied to a tourism destination.

In highlighting factors that are central to creating long-term competitiveness, Porter introduces four key drivers that determine the company or cluster’s competitiveness, depicted as a diamond model. He sees factor endowment, demand conditions, the context for firm strategy, structure and rivalry and related and supporting industry as being critical. These attributes and their interaction offer, according to Porter, the main explanation as to why companies or clusters located in a particular region remain competitive and innovative.

Findings

This paper views the destination as an integrated system of more-or-less interdependent actors and it uses the diamond model framework
to identify the forces that drive the creation of competitive advantage in Åre.

By simultaneously focusing on factor conditions, demand conditions, business conditions and interdependencies, a rich account of the processes that have contributed to growth and development in Åre is presented. It is clear that a number of factors in interplay explain the overall development. While the mountain and other natural endowments are important and explain why people visit Åre – to ski, hike and go mountain biking there – it does not alone offer us an explanation as to why Åre grows as a community and an entrepreneurial milieu. The cluster lens consequently offers a means of increasing our understanding of why some destinations remain more or less solely successful resorts and grow basically only in terms of increasing numbers of visitors, whereas other develop well beyond that as competitive communities characterized by long-term development and growth.

5.5. Doing, Using, Interacting – Towards a New Understanding of Tourism Innovation Processes

When it comes to innovation activities and innovation performance, the tourist industry has often been accused of lagging behind other sectors in the economy (Camison and Monfort-Mir, 2012; Mattsson et al., 2005; Sundbo et al., 2007; Hjalager, 2010). However, this opinion has been questioned recently from the point of view that tourism (like many other services) is different from these other sectors. For that reason, the approaches chosen for scrutinizing the effects and for analyzing the innovation processes should also differentiate themselves from those in areas such as manufacturing (Rønningen, 2010; Stamboulis and Skayannis, 2003; Sundbo et al., 2013). Hence, the understanding of innovation in tourism requires a faceted approach and the use of distinctive models and frameworks. The tourist industry may actually be more innovative than hitherto assumed.

Research Objectives and Theoretical Foundations

Studies of tourism innovation have placed a significant emphasis on the innovation outputs: new products and services, changes in marketing approaches, remodeled organizational structures, etc. To date there has been a lack of in-depth insight into the innovation processes that
take place in tourism enterprises, and little is known about how managers lead and handle the progression of innovation (Hall and Allan, 2008). Therefore, it seems important to create a more accurate understanding of processes and management approaches in order to be able to judge the tourism sector’s innovativeness in a correct context. This knowledge can be essential for the enterprises, but also for policy bodies that aim to enhance the innovative capacity of the tourism sector (Hjalager, 2012; Rodriguez et al., 2014).

At the same time as tourism enterprises are characterized as innovation laggards, some tourism establishments have actually manifested themselves as immensely innovative and have surprised their customers and competitors with daring concepts and radical solutions. When Icehotel in northern Sweden was first established, it spurred a further reflection on the paradoxes in the tourism sector concerning innovation. This paper uses Icehotel to inquire into the innovation processes of one successfully innovative tourism enterprise. The aim is to use a ‘rich’ case to come closer to an understanding of innovation processes in tourism. The study strives to use, critically discuss, and further develop the DUI model (Jensen et al., 2007) in the tourism context.

The aim of the paper in this thesis dealing with tourism innovation is to move the discussion away from the output to process. A vast generic literature deals with innovation processes and the management of innovation (Dodgson et al., 2014; Tidd and Bessant, 2013). However, the interest in innovation processes, especially in tourism enterprises, arose much later (Aldebert et al., 2011; Hjalager, 2010). It can still be characterized as an emerging field that places a distinct emphasis on the importance of networks as stimulators and as facilitators of knowledge transfer (Novelli et al., 2006; Ottenbacher and Harrington, 2009; Weidenfeld et al., 2010). However, much is lacking in terms of an overall understanding of innovation processes in tourism.

The tendency of associating innovation with the linear model (suggesting that technical change happens in a linear fashion from scientific discovery to innovation to product to market), drawing upon high technology sector experiences has been dominating the scene for a long time, while there exist in reality several different models in innovation literature (Jensen et. al., 2007).
Often, a distinction is made between two ideal type modes of learning and innovation. Two primary ways to organize learning, knowledge flows and innovation processes in firms – between the STI (science, technology, innovation) and DUI (doing, using, interacting) modes of innovation (Lundvall and Lorentz, 2007; Jensen et al., 2007). Whereas the STI mode of innovation is closer to the linear model of innovation and hence has a stronger focus on technological innovation by codifying scientific and academic knowledge, the DUI mode takes a different focus, acknowledging that we now also are enhanced with experience-based learning and not just science-based learning. The STI–DUI framework is a guiding principle for the case study of the Icehotel, part of Paper V. It is important to keep in mind though that these two models are two ‘extremes’ with a number of variations in between.

Findings

This paper shows that the DUI mode of innovation appears to capture the essence of tourism innovation better. We therefore strive to use, critically discuss and further develop the DUI model in a tourism context. When observing the innovations at Icehotel over time, it is clear that a DUI mode of innovation mainly has been practiced. If Icehotel had only been analyzed from a traditional STI perspective, the innovative establishment would not have been perceived as the success it is from a process view, but more likely only from an output perspective. It is simply not an innovation that has derived from science-based knowledge or highly educated staff. It has not been developed in a firm with an R&D department, and the enterprise originally had little connection to universities. In these respects, Icehotel may have many similarities with other tourism enterprises.

The model on the following page represents an attempt to paint a picture of what the tourism innovation process can look like from a DUI perspective. The innovation process is likely to originate in an emerging need from customers, cooperating partners or suppliers, or a problem that needs to be solved. Therefore, this initial phase is largely based on practical experiences from daily activities and interactions with customers and users, being responsive to their demands. Feedback can play an important role at this stage. In the second stage, an idea is generated about how to respond to the received signals. This phase is, to a large extent, characterized by practical applications and learning-by-doing (and most likely a fair share of trial-and-error).
The resources used to transform the idea into the launching of a new innovation are mainly based on tacit/implicit knowledge that is substantially shared by face-to-face contact. This indicates the importance of interaction, both inside and outside of the organization and in networks, which makes the proximity at the destination level important (the cluster). The use of natural resources – such as ice, snow, coldness, and darkness in the example provided here – may also play an important role in the innovation process. All these elements of doing, using, and interacting may lead to the creation and launch of a tourism innovation, which may later result in spin-offs and new developments, again partly due to feedback mechanisms. The model is a simplification and the feedback loop can be practically anywhere in the process.

*Figure 7. The Tourism Innovation Process from a DUI Perspective*
6. Discussion

This chapter discusses and elaborates on the research findings from a number of relational perspectives.

6.1. Bonding, Bridging and Excluding Social Capital

Throughout Åre’s history, multiple joint approaches to destination development have occurred. Efforts of public-private coalitions – often of informal character – are not just a matter of more recent years, but date back to the period when investments were needed for ski infrastructure in the early 1980s. Overall, economic crises, increased competition and biddings for large international ski competitions, such as Alpine World Ski Championships and the Olympics, have been uniting factors. This is also evident from the cases of Whistler and Dolomiti Superski; that in times of changes and particularly when facing threats of some kind or grasping for new opportunities, it is easier to unite and rally together to try to reach destination-embracing goals. However, more than anything, these joint efforts have been largely successful due to close bonds that have developed over time.

Close relations and trust have made up the basic foundations in these development processes, where social capital (Coleman, 1988, 1990; Putnam, 1993; Fukuyama, 1995) has been of great importance. Two men, one public and one private – both described in terms of filling the function of a village mayor during different periods – deserve extra mention. The first one is a leading local politician who advocated privatization at a stage when that was not very common in Sweden. He reached out to private actors in quite an untraditional way and made institutions privately run that traditionally had previously always been handled by the public. The other one was the leader of the business organization who, by way of his role, was able to mediate and often successfully unite the village, both business to business, but also in public-private settings. He was convinced that the only way forward was by cooperation and by joint public-private efforts. This exemplifies that there has been a great understanding and interest from both the
public and the private side to collaborate and jointly approach internal issues and external opportunities and threats, and as we can see from the Vision 2011 group, this is from time to time done in quite unconventional ways, in particular from a public, democratic perspective.

There is, moreover, an informal network referred to as the ‘Åre Mafia’—a group of people and businessmen with their roots in the village, acting in a sense as gatekeepers. They have had the informal power and positions to decide who to let in and who to shut out - if you ask them, with the best interests of the destination in mind, but if you ask newcomers sometimes described as standing in the way of new initiatives. As in most informal settings, they as well as the vision 2011 group are ‘self-appointed’ and may naturally also represent their own self-interests as businessmen, most likely to some extent prospering from destination growth.

The strong social capital between a number of core actors in the destination has undoubtedly affected the development and growth in a positive way, for instance evident from the many international sports events in Åre; bids that the village successfully has managed to win due to personal relations both internally and externally and to specific destination-bound experiences and knowledge. Social capital can here be seen as both bonding and bridging, and yet also excluding.

In the early tourism history of Åre, the local ski association (Åre slalomklubb) is described as an important informal meeting place with great influence on destination development. According to several respondents, major decisions were discussed and settled upon during informal meetings such as in the sauna at the local ski association. This not only means that members not part of the local ski association were excluded, but in certain situations women in Åre in particular.

With a few exceptions, women have been, and still are underrepresented in terms of power and influence over the destination’s development. Åre has been dominated mainly by male entrepreneurs in this respect. Women are represented foremost in the political sphere as well as a handful in leading private positions and a few small businesses. The informal structures have also generally made it harder for young entrepreneurs to be included.

The same problem, but with a broader number of actors, occurs with the Vision 2011 group, which was only open to certain self-appointed
members, while a majority of the destination actors were excluded. The issue was not just that they could not attend meetings, but that transparency was overall lacking with no public records, even though elected politicians and civil servants participated. This leads us to the issue of where to draw the line – what is acceptable behavior in the name of reaching destination development and growth? Where is the balance between efficiency and democracy?

The argument used to defend the Vision 2011 group, was that this type of destination governance was bound to a specific phase in the destination’s development, and that it was followed by a more open and democratic platform. As in many other places, a destination company owned by the entrepreneurs has been formed in Åre in more recent years. It has been argued that this process has opened up the visionary work and long-term tourist development to a broader group of actors.

For future research, it would be interesting to investigate how these changes are looked upon in the destination as well as how this has affected the social capital and the balance of power.

Consequently, while social capital has played a crucial role in the development of Åre as a tourist destination, it has also, to some extent, laid grounds for divisions between groups such as men and women as well as newcomers, locals and residents as well as tourism developers. It has not just been bonding and bridging, but also excluding. This can have positive effects from the standpoint that it can protect the destination’s old values and identity while keeping external influences at a more limited level. However, there are naturally disadvantages too as has been discussed above. Again, how do you find the most appropriate balance between efficiency and democracy as well as between new and old influences?

6.2. When Community and Destination Overlaps

An interesting issue is also how residents that are not particularly interested in tourism development feel about the strong growth. As in Whistler, there are presently and have been throughout Åre’s history, different opinions on, for instance, how to use tax money and what to give priority to in terms of community development (e.g., Gill and Williams, 2011, 2014). Should schools and elderly care give way to strong tourism development? What happens when the locals cannot keep up with the increasing housing prices? There are a number of issues of
this kind in Åre that become particularly evident when the tourism destination and the village to such a large extent correlate. They are not as evident in Jukkasjärvi, since Icehotel constitutes the core attraction and the prime destination in a very small village without a community structure of its own. The development of Icehotel has not led to the same effects on the surrounding local society either (such as increased housing prices), although the effects in terms of increased tourism are clear, and also affecting other operators in the wider surrounding area, including, for example, the airlines and surrounding accommodation facilities.

From the very beginning, there have been conflicts of interest in Åre with farmers who were forced to sell land at the mountain. Still today, various tourism activities and facilities take up and affect the use of land and public space, they can disturb the natural environment and transform a rather peaceful village into a tourism resort with plenty of visitors, from time to time disturbing occurrences and an overall different character. This also relates to sustainability issues, where increasing the number of visitors also affects the environment, such as the exploitation of nature.

On the other hand, Åre is characterized by a development that is rare in the larger region that it is situated in – in the northern inland. This positive progress naturally also affects the citizens. Some of them could have been forced to move without this growth. Taking the cluster perspective (Porter, 1990), Åre has been successful in attracting more tourism-related businesses and industries in other fields, population growth, increased tax incomes and it has successfully been able to transform from a winter sports destination into a more or less year-round based resort. This can partly be explained by the fact that the community and the destination to such a large extent correlates, which means that the high correlation has both positive and negative effects.

6.3. Public vs. Private, Internal vs. External and Small vs. Big Actors

As mentioned before, strong network relations and trust have led to unconventional public-private coalitions and joint approaches in the destination of Åre. This is also in line with the general development from government to governance (Rhodes, 1997; Dredge, 2006b), emphasizing network solutions. Nevertheless, there are changes over time
in terms of influence. What we can see here is that for mountain resorts with the need of heavy investments in ski infrastructure, public support is essential in developing from a small village into an international ski resort. This is evident in both Åre and Whistler. Both destinations go through a similar path of development and in both cases there is, over time, a transfer of influence from public towards strong private actors. Even though the residents in Whistler by a majority decision agreed to set up a bed limit capacity, this was ultimately overrun due to strong pro-growth efforts by the private leading actors (Gill and Williams, 2011). Skistar and Intrawest have brought new levels of professionalism to the destinations, but they also listen just as much, if not more to the customers and share-holders as to the village residents and businesses.

In Åre, respondents describe how Skistar (then named Sälenstjärnan) first came to the destination and basically did things their way. You could either accept their terms or be on your own – the latter perhaps not being the best option, considering Skistar’s strong position and possession of the main attraction during the winter. This approach is, however, soon after described as slowly changing into a more open attitude on Skistar’s behalf, clearly realizing that even a major actor in a dominant position depends on the destination as a whole.

This can be looked upon in the light of cluster theory, which emphasizes the interdependencies between the actors and yet highlights the importance of a cluster animator (sometimes also referred to as a ‘network broker’) as a driver of development. The interdependencies can be considered even stronger in a situation where the driver of development cannot control the product they are selling since they are partly delivered by subcontractors, as production and consumption often take place simultaneously. Again, with the ski product and the destination overlapping with the village of Åre, conflicts of interest are bound to occur.

While there has been a good dialogue between Skistar and the other major actors of influence in the Vision 2011 group, other actors that were not part of the constellation largely express that they cannot influence a powerful actor such as Skistar and that the lacking balance of power clearly affects the residents and local businesses. Others express that the ‘old’ Åre is long lost and that this solution is necessary and good for the destination. Skistar is also one of the dominant owners of the new destination company. One conclusion that can be drawn here
is that it may even be necessary to entrust private actors to a larger extent when it comes to the management of international ski resorts. Yet it is also evident from this research that these major private companies need to be locally anchored and a part of the destination.

It is also clear that over time, external influences have increased in Åre. This is not only an effect of Skistar’s entrance, but started long before. The destination has on the whole been successful in attracting external actors and investors, which has led to a transfer of power and influence increasingly from locals to external actors. This is a common occurrence in a destination developing from a small place into an international resort. However, as mentioned previously, there are certain issues to keep in mind during the process.

There is, again, the balance between protecting the old identity and perhaps small-scale charm and a possible mass-tourism. When decisions are made, to an increasingly larger extent, further away from the destination, informal networks such as the ‘Åre Mafia’ with, as some describe, ‘their hearts in the village’, and informal destination governance solutions such as the Vision 2011 group seem to play a very important role in keeping influence locally. With the strong interdependencies in mind and looking at the destination from a cluster perspective, it is also important for the dominant actor to be part of formal and informal networks at the destination level to access local knowledge and information as well as to be able to achieve the local cooperation needed in order to act as a united destination with high-quality-services and products for the guests.

The above perspectives are not equally relevant to Icehotel, since it can be looked upon both as a destination and also a single company. Hence the same power shifts between small and big actors and between public and private players are not evident.

6.4. Spread Effects on the Local Society and Related Diversification

In the case of Icehotel, the development processes consequently look somewhat different since Icehotel is more or less a sole attraction and does not overlap at all to the same extent with a community. This situation may increase the need for and the value of cooperation and networks. However, it is also easier to select who to cooperate with and
who not, and to formalize the terms for cooperation. Also in the case of Icehotel, the process from a more or less ordinary summer attraction to the innovation it is today, has involved more professional management procedures and a board with more external influence.

The downside of not being located in a larger community is that it is harder to take advantage of possible clustering effects. There are indeed companies that benefit from Icehotel, and Kiruna is often put on the map due to international guests and publicity. Nevertheless, the same effects as in Åre will most likely not occur, with an increasing population, companies intentionally relocating to the area and complementary businesses leading to a related diversification of the regional economy. All these effects can be seen in Åre, with not just an increase in tourism businesses, but also in outdoor equipment, sports clothing, designers, ski producers, outdoor magazines, etc.

This means that there are not just spinoffs between firms, but also between sectors and a variety in the local economy makes it less vulnerable to changes in demand and it helps in attracting long-term qualified employees, since it can also offer non-tourism-related job opportunities to, for instance, accompanying family members. A variety in the economy can be an additional source of economic growth as well, in particular if the sectors complement each other as in this case (Frenken et al., 2007). Further research on the tendency of the tourism sector to diversify into related sectors of the economy (not just in services but also in manufactured products) could increase our understanding of whether this is a more frequently occurring phenomenon in tourism than in other industries.

The success in attracting a variety of companies may very well be connected to the destination’s ability to balance old core values such as the alpine and outdoor interests with new values such as the ability to attract the latest development and top-of-the-line products. Even if Ski-star is targeting families as their prime category of guests, Åre still has a brand that also attracts an exclusive group of visitors that can be categorized as early adopters of new products. It is hence a good testing ground for new products and services. The strong brand has also led to numerous other entrepreneurs using it in their company names, such as Åre Chokladfabrik (a chocolate factory) and Åre Bageri (a bakery). It is sometimes said that Åre is characterized by ‘the wind of success’, sweeping over those who take the chance and grasp the opportunities.
6.5. The Origins and Evolution of a Cluster

This research also sheds light on how a tourism cluster, Åre, and the inter-organizational networks originate and evolve over time – a perspective that is described as largely neglected in cluster research (Bathelt and Li, 2014; Ter Wal and Boschma, 2011). It is of course difficult to say when in time a cluster is formed (and this naturally also depends on how a cluster is defined), as this most likely takes place continuously over time.

In Åre, during the transformation from an agricultural village in the ‘50s and ‘60s to the internationally well-known resort it is today, the initially two most important organizations that tourism actors and activities centered around were the local ski association (Åre slalomklubb) and the local tourism organization (Åre turistförening). In particular, the former played a vital role in transforming Åre into an internationally competitive destination through large, worldwide ski competitions, which was an important step in attracting both public investments and major private actors to the village.

As discussed in previous sections of this chapter, influence as well as networks have changed over time and there are power shifts in terms of public versus private, internal versus external and small versus big actors if we study Åre from a life cycle perspective (see in particular Paper I on Åre’s historical development related to social capital). Even though actors from the local ski association play an important role today in arranging and bidding for large ski competitions and events, it is fair to say that their role is largely diminished with Skistar’s and other major operators’ entrance to the destination.

Most members that were part of the informal network referred to as the ‘Åre Mafia’ have retired and no longer hold the same influence and positions. The local tourism organization no longer exists in the same form, but its role is, to a large extent, overtaken by the destination company, which, in terms of real power and influence, is probably even stronger. The most significant change over time is most likely that the members of the local tourism association were more heterogenic in terms of size and influence, whereas the destination company also holds the big dominating actors, such as Skistar.

As has been indicated, there are clear signs that Skistar has somewhat changed their position towards the rest of the destination since they first came to Åre and came to realize their great dependency on the
other actors to remain a competitive and successful destination. There is indeed still a lacking balance of power and influence, where Skistar more or less sets the rules of the game with regard to the many small operators they cooperate with formally. However, their role in, for example, the Vision 2011 group does not seem to be one of total superiority, but rather of showing great respect for the importance of an informal platform of public-private interplay. This form of network is time and again referred to as one of the success factors explaining the growth and development witnessed in Åre in more recent time, which underlines the importance and effect of networks.

The question for the future, is now that the Vision 2011 group no longer exists, whether new forms of informal meeting grounds will emerge or whether the new destination company can function as a more democratic uniting actor, and, if so, will this form of destination governance be as effective in terms of reaching growth and development – or perhaps even more successful?
7. Conclusions

When comparing the empirical findings in the papers and looking back at the research questions, six main conclusions can be drawn.

First, focusing on Åre, a shift of power and influence from public to private stakeholders can be identified, which, in the last few decades, has resulted in a greater trust in the private actors’ ability to generate growth and development. The latter is in line with Flagestad and Hope’s (2001) corporate destination model, where a dominant business corporation with focus on profits is emphasized. This development has been accomplished with the support of local public actors, who have been willing to work in quite unconventional ways to facilitate this development.

This is also supported by governance theory, underlining new forms of network-based governance solutions in the form of public-private constellations. Although, as stated previously, it is interesting to question how much influence the local government really has in this situation with a strong and dominating commercial actor such as Skistar, that has a significant role in the development of a rather small community such as Åre. Yet, in terms of reaching development, the public-private interplay has been of great importance. It is also clear that the dominating actor has come to realize how dependent it is on the smaller businesses – interdependencies that most likely are stronger in tourism and services than in many other industries, since the imprint of all service-providers in a destination will affect the overall impression of the destination in question. There is still, indisputably, a lacking balance of power, which most likely affects the community as a whole.

Secondly, the papers identify a development where power and influence largely have shifted from local actors to individuals and organizations based outside the destination, both domestic and foreign. This resonates well with Butler’s (1980) resort model. With this change, financial resources, knowledge and information, and in general influences from the ‘outside’ have increased, which has also facilitated growth and development. However, there are naturally also possible disadvantages with this development, meaning that decisions regarding
the destination are made further away from the affected region, that there is a higher degree of commercialization characterizing the destination today and that it is harder for village residents and smaller businesses to affect the development. This also means that the destination becomes increasingly dependent on exogenous decision makers and that may, in many instances, increase its vulnerability (though of course the exogenous players are also advantageous as they allow the destination to reach a much more global market). This development towards non-local ownerships is seen in the comparative study as well, which also, along with the results in Paper I, supports the notion that destination governance needs to be dynamic and adaptive over time as governance models transform when the destination in question reaches new development phases. Different adaption paths seem to exist though – both very volatile and more stable ones.

The third conclusion that we can see is that a number of factors in interplay affect destination development which largely is supported by cluster theory. Consequently, by analyzing factors more systematically, here by viewing the destinations as an integrated system of, more or less, interdependent actors, it is easier to identify the processes that lead to destination development. The local environment matters significantly and its attraction and dynamics seem to be central to the ability to develop important relationships both internally and also to the surrounding world. Understanding underlying network structures and contextual factors can be critical in understanding these processes of change.

By identifying processes (as conducted in Paper IV) affecting destination growth and development, we can widen our understanding of why some destinations grow and develop not only in terms of visitor numbers and revenues, but in a wider sense as communities and local entrepreneurial milieus characterized by long-term growth and development. Increasing population growth, higher tax incomes and rising numbers of newly-established firms in a variety of industries are some examples of the results of this kind of development. However, pro-growth strategies alone can disrupt the positive development from a long-term perspective, and the sustainability dimension needs to be given a more central role. Sustainability, with, for instance, bed limits such as in Whistler, is an issue of high relevance to destination governance bodies worldwide in order to be able to compete in the long run.
Conclusion number four is that also in the second case of Icehotel, focusing on continuous product development through tourism innovation processes, networks play a vital role, as in line with Jensen et al.’s (2007) theories on the DUI mode of innovation (Doing, Using, Interacting). Experience-based learning is currently challenging science-based learning. Unless we adopt frameworks and models that acknowledge the specific features of tourism innovation processes, we will most likely not find out whether the tourist industry is more innovative than hitherto assumed and will not be able capture the essence of tourism innovation. In this context, networks are central.

What is clear from all five studies and that constitutes conclusion number five, is that destinations change over time, as do the networks that are part of them. Even if trust-based relations take time to develop and social capital is a bonding mechanism over time, network relations are not static and for destinations to become successful in the long term, it is important to be adaptive to the processes of change continuously taking place.

Finally, the results of the studies also support theories claiming that interdependencies are essential in tourism generally, and in destinations more specifically. They show that studies of this kind, emphasizing the importance of relational networks, can contribute with new insights on how to reach destination growth and development. The thesis also shows that it is fruitful to apply relational economic geography concepts, theories and models to tourism, and more specifically apply them to destination research; and that there are good reasons to acknowledge the term ‘relational destination development’ and to continue to develop it.

This approach establishes a useful bridge between economic geography and research on tourist destination development. When there is clearly something more to it and we need to look for alternative explanations – as in the case of Åre, where the destination is situated in an area of Sweden generally suffering from decline, and yet this particular destination shows the opposite development trend – then the relational perspective can give us the missing pieces to a more comprehensive understanding.

The observations regarding power shifts, may also be part of a general theory on destination development, i.e., when it comes to growth in
mature destinations, private actors need to be entrusted, and that influences and resources from other areas may be critical, but that it is essential to find a middle ground method - to mediate between the local and external networks and values, between the ‘old’ and the ’new’; to value the ‘sense of place’. These are theories that can be tested and elaborated upon in other destinations.

The work in this thesis has been united under the term ‘relational destination development’, emphasizing the role of networks in actor constellations and various power structures, to understand destination development with a focus on localized economic and social processes and their consequences.
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