

Unpacking the geography of tourism innovation in Western Cape Province, South Africa

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Abstract. This paper interrogates the geography of tourism innovation in the Western Cape, South Africa. In particular, innovations by tourism firms are mapped and local tourism innovation networks are analysed. Networking behaviour is examined since it is regarded as indispensable for accessing knowledge and learning for innovation purposes. The analysis draws on a broader investigation of tourism innovation and networking within the Western Cape province. It is revealed that the main tourist regions in the Western Cape are also the most innovative. Whilst external networking relations are observed to be highly significant for tourism innovation, local embeddedness remains critical for stimulating path creation and exploiting local core competencies for the competitiveness and survival of tourism firms and destinations.

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1. Introduction

Innovation is central to knowledge creation and enhancing competition in post-industrial economies in order to facilitate long-term productivity and economic progress (Antonioli et al., 2014; Fagerberg, 2013; Porter, 2008; Rodríguez-Pose, Fitjar, 2013). Specifically, Schumpeter (1934) linked innovation to economic development by suggesting that economic growth is driven by the emergence of innovations which centre on new, more viable solutions than ‘old ways of doing things’. Schumpeter (1934) theorised that new activities create additional value which in turn increases firm profits. According to his theory, “it is the (successful) introduction of product, process and organisational innovations that allows firms to override the pre-existing conditions of markets and industries, and to grow and gain market shares at the expense of non-innovating firms” (Cainelli et al., 2006: 437). In turn, competitiveness hinges on the capacity of firms and industries to innovate continuously and upgrade their product offerings (cf. Porter, 2008). Likewise, innovation is regarded as a central means by which tourism firms, destinations and regions can respond to increasing competition on a global scale (Holowiecka, Grzelak-Kostulska, 2013; Iplik et al., 2014; Thomas, Wood, 2014; Tigu et al., 2013; Williams, 2014).

Individual entrepreneurs and firms rarely innovate in isolation, and learning with a focus on innovation, takes place in organised settings such as groups, firms and networks (Fagerberg, 2013). In fact, evolutionary economic geography, inline with the neo-Schumpeterian evolutionary theory and complexity theory, views innovation as a complex, path-dependent process characterised by the learning and the interaction of agents (Antonelli, 2009; Brouder, 2014; Brouder, Eriksson, 2013a, b; Ma, Hassink, 2013). Therefore, path dependency points to evolutionary patterns whereby accumulated knowledge provides a critical mass for innovation (Brouder, Eriksson, 2013b; Ma, Hassink, 2013;

van Egeraat, Kogler, 2013). In this context, networking behaviour is of central importance for learning and enhancing technological capabilities (Huijbens et al., 2009; van Geenhuizen, Soetanto, 2013; Williams, 2014). An emerging theme in the tourism innovation literature is the conceptualisation of innovation as a relational process which emphasises the significance of networking behaviour by tourism firms (Brouder, 2012; Brouder, Eriksson, 2013a; Hjalager, 2014; Williams, 2014). Networking often takes on systemic characteristics. Weidenfeld and Hall (2014) emphasise that system approaches to innovations centre on how proximity influences learning and knowledge transfer and on the relationships between firms and institutions for fostering innovation and regional competitiveness. This said, it is emphasised that overall limited research exists on the geography of tourism innovation, particularly in relation to knowledge networks and innovation systems. Whilst a few case studies vis-à-vis tourism innovation systems have been conducted in the Nordic context (cf. Brouder, 2012; Fuglsang et al., 2011; Hjalager, 2010; Hoarau, 2014; Huijbens et al., 2009), several tourism scholars point out that there is a need for further empirical investigations and analysis regarding the geography of tourism innovation; spatial scales on which tourism innovation occurs; and tourism innovation systems (Hjalager, 2014; Sundbo et al., 2007; Weidenfeld, Hall, 2014; Williams, 2014). Although some investigations have been done on rural tourism innovation (Brouder, 2012; Carson et al., 2014; Hall, Baird, 2014; Hjalager, 2010; 2014; Hoarau, Kline, 2014), there is a dearth of research on the geography of innovation in tourism, most especially in urban settings and particularly in the global South (cf. Booyens, 2016; Booyens, Rogerson, 2015; Hoogendoorn, Rogerson, 2015).

This paper maps the geography of tourism innovation in the Western Cape based on a broader study on tourism innovation and networking within the Western Cape tourism economy (Booyens, 2015). In particular, networking for innovation pur-

poses and local innovation networks in the region are interrogated. The empirical investigation consisted of a cross-sectional survey of tourism firms ($N = 156$) regarding their innovation activities during 2010–2012. In addition, a set of qualitative interviews was included with actors in the regional tourism system ($N = 11$). In terms of the sample selection, firms and other respondents were identified purposively. A semi-structured questionnaire was used for the firm level survey and selected Community Innovation Survey questions were adapted and expanded for this research (cf. Eurostat, 2010). Qualitative interview schedules were employed for the tourism system level interviews.

The paper is structured as follows. A review of considerations and theoretical perspectives regarding the geography of innovation in tourism follows in Section 2. Section 3 outlines key findings regarding the tourism innovation as observed in the case study province of the Western Cape. Section 4 maps tourism innovation in the region, and Section 5 interrogates tourism local innovation networks in related aspects in the province. A discussion of the findings is presented in Section 6 and conclusions follow in Section 7.

2. Reflections on the geography of tourism innovation

Considerations interrogated here regarding the geography of tourism innovation centre on the role and spatial characteristics of knowledge networking in tourism which leads to debates on innovation systems in the sector. Following from this, the work of Sundbo et al. (2007), which focuses on innovation and networking at the firm, network and system levels, is of particular relevance in providing a theoretical framework for investigating the spatial scales of tourism innovation.

The characteristics of tourism firms networking behaviour are viewed as critical in understanding knowledge access and learning for innovation purposes. It should be realised that not all networking activities and relationships benefit innovation activities (Sundbo et al., 2007). Nevertheless, effective networking and collaboration is crucial for accessing knowledge to create innovations in tourism

(Hoarau, 2014; Weidenfeld, Hall, 2014; Williams, Shaw, 2011; Xiang et al., 2013). It is observed that when tourism firms manage to establish collaboration with other firms or organisations this results in innovation (Tejada, Moreno, 2013). Innovative performance is further enabled by innovative interactions as a result of networking behaviour among regional actors, and between regional and external actors (Hjalager, 2014; Ronningen, Lien 2014; Weidenfeld, Hall, 2014). These observations are inline with Pechlaner et al. (2006:31) who describe the innovation process in tourism as an ‘inter-organizational network process’. This said, certain tourism scholars contend that networking between tourism firms and other firms or actors is generally weak. In particular, small firms typically suffer from a lack of knowledge transfer from large firms, and knowledge transfer for innovation is generally constrained in the tourism industry (Hoarau, Kline, 2014; Shaw, Williams, 2009; Williams, 2014). High levels of competition and low levels of trust further lead to a lack of cooperation between tourism firms (Pechlaner et al., 2006; Weidenfeld, 2013).

Sørensen (2007) argues that the spatial characteristics of tourism are reflected in networks which are highly local (within tourist destinations), and simultaneously non-local (international). He argues further that the particularities of tourism firms erode local networks and that even though tourism firms are located in the same destinations they are not necessarily economically or culturally close. Local embeddedness is a critical consideration for tourism firms in relation to their innovation performance (cf. Brouder, 2012; Fuglsang et al., 2011; Hoarau, Kline, 2014). Embeddedness refers to the “the extent to which a social community operates in terms of shared norms of co-operation, trustful interaction and ‘untraded dependencies’ (Dosi 1998) as distinct from competitive, individualistic, ‘arm’s length exchange’ and hierarchical norms” (Cooke, 2001:960). Tourism firms often make use of local (often personal and informal) networks which are dense, but loose in character, low in quality, and weak in strength (Brouder, 2012; Hoarau, Kline, 2014; Sørensen, 2007; Sundbo et al., 2007; Weidenfeld, Hall, 2014). Fuglsang et al. (2011) indicate that informal networking based on personal networks is evident in tourism destinations. Such networks largely provide explorative, rather than

knowledge-intensive information, and do not impact significantly on innovation performance (Fuglsang et al., 2011; Sundbo et al., 2007). Conversely, a number of tourism scholars argue that external local knowledge is important for building absorptive capacity, and enhancing innovation and competitiveness in tourism firms (Brouder, Eriksson 2013b; Carlisle et al., 2013; Carson et al., 2014; Hjalager, 2010; Hoarau, Kline, 2014; Sørensen, 2007; Thomas, Wood, 2014; Weidenfeld, 2013). Pechlaner et al. (2006) stress that a combination of place-specific and non-local resources, such as knowledge, know-how, experiences, technologies, skills and competencies, is necessary for creating unique and innovative tourism products. Equally, they argue that destination competitiveness depends on cooperation between different service providers and agents at the local level.

Innovation networks (or systems) are regarded as important for enhancing and supporting tourism innovation (Huijbens et al., 2009; Ronningen, Lien, 2014). Novelli et al. (2006) argue that collaboration between local authorities, supporting bodies, education and research institutions, and local firms at destination level is essential to foster tourism innovation. However, functioning tourism innovation networks (or systems) at destination level are observed only in a few cases, notably in the Nordic context (Brouder, 2012; Hjalager, 2010; Hoarau, 2014; Huijbens et al., 2009). Common characteristics of innovation networks as observed in the Nordic context (cf. Huijbens et al., 2009:64-66) include a multitude of actors with a visionary and entrepreneurial focus who have played a mobilising role and are focal points of such systems. There is a spirit of collaboration between actors, and diverse and dense networking relations are evident, whilst the importance of bringing external knowledge, capital and ideas into the system is underscored. Increasing cross-sectoral outreach, whereby innovative activities involve other economic sectors, is evident. Actors feel a sense of belonging to the geographical area and have long-term trust relations. The public sector plays a decisive role in all cases whether hampering or facilitating. However, Sundbo et al. (2007) concede that innovation systems are generally weak in services and that there is a need for further empirical investigation and analysis regarding tourism innovation systems.

Certain authors argue that innovation systems in tourism are both geographical, either national or regional, as well as sectoral which does not focus on territorial dimensions (Hjalager, 2014; Weidenfeld, 2013; Weidenfeld, Hall, 2014). The focus of the sectoral approach is on specific sectors regardless of their geographical location. It is theorised that the tourism sectoral innovation system and the spatial innovation system overlap at regional level (this includes the firm level), and are open systems which utilise and maintain external linkages (cf. Hoarau, Kline, 2014; Weidenfeld, 2013). However, other scholars argue that service and tourism innovation systems are loosely-coupled networks which are not systems in the traditional sense (Brouder, 2012; Huijbens et al., 2009; Sundbo et al., 2007; Ronningen, Lien, 2014).

The work of Sundbo et al. (2007) provides a theoretical framework for understanding tourist firms' innovative behaviour and innovation systems in tourism. The framework draws on the service innovation literature and follows a synthesis approach to the study of innovation in tourism. Before continuing it must be pointed out that this research does not adopt a cluster approach to investigate innovation and networking in tourism. Indeed, Simmie (2004) suggests that innovative firms are part of an internationally distributed system of innovation which operates from localities, rather than from within. Therefore, he recommends that investigations start by looking at network activities and kinds of linkages at firm level and then assess how far these are confined to localities (Simmie, 2004). Equally, Taylor (2010) argues that a 'more nuanced and empirically grounded' approach is required to stimulate local innovation than the promotion of localised, space-bound clusters adopted from observations in the global North concerning the dynamics of industrial city-based clusters.

Sundbo et al. (2007) propose that innovation in tourism can be understood and investigated on three levels – firm, network and system. This framework captures perspectives on innovation at the national, regional and local levels which corresponds with the work of other tourism scholars who indicate that innovations are evident throughout the tourism sector and are manifested at the firm, resort, destination and national tourism system levels (Fuglsang et al., 2011; Hjalager, 2014; Hoarau, Kline,

2014; Weidenfeld, Hall, 2014; Williams, 2014). Firstly, innovation on the tourism firm level revolves around the entrepreneurial and innovation activities of tourism firms. Innovations are considered to be driven by market demand and part of firm level strategy toward competitiveness. At this level, investigations should focus on empirical investigations in relation to the innovation behaviour of tourism firms around introducing new or improved products, processes, marketing methods, organisational methods, environmental practices, and other innovations to the market. Secondly, networks are regarded as significant for tourism innovation. Networking behaviour by tourism firms can consist of formal and informal relations that facilitate knowledge transfer and learning for developing innovations. Furthermore, networking relations can be dense and strong for the transfer of specialist knowledge, or less dense and weak for the transfer of broad and general information which results in incremental innovation. In a spatial context, the proximity of networking relations should be investigated. In particular, whether networking relations are linked to localities, and whether non-local linkages are of consequence for knowledge transfer, learning and innovation. Thirdly, at tourism system level, deliberations should centre on relationships among firms, organisations, government agencies, and other actors following innovation systems theories. Overall, the purpose of empirical investigations is to identify all the factors and actors which influence innovation processes, how innovation is enhanced or inhibited, and how the different actors interact.

3. Tourism innovation in the Western Cape

The Western Cape is an emerging market and premier province in South Africa for international (long haul) leisure tourism (Cornelissen, 2005; Figure 1). Its major urban centre, Cape Town, is

an aspiring global city which aims to increase its competitiveness on the global stage by deliberately positioning itself as knowledge-based, creative and innovative (Booyens, 2012; Lemanski, 2007; Pirie, 2010; OECD, 2013). A key feature of Cape Town's city-region is the structural shift in its economic base towards finance and business services, logistics and tourism (OECD, 2013). Indeed, services and tourism impact substantially on the regional economy, both in terms of total value and employment creation (Booyens, 2015). However, recent analyses reveal that in contrast to strong tourism growth between 1994 and the early 2000s (cf. City of Cape Town, 2013) and despite its continued popularity as an international tourism destination, the performance of Cape Town's tourism economy has slowed in recent years (Rogerson, Rogerson, 2014a; Rogerson, 2015). This highlights the importance of innovation to enhance local and regional destination competitiveness in Cape Town and the Western Cape.

It is determined that up to 60% of tourism firms surveyed can be regarded as innovative. Innovation, as employed in this investigation, refers the introduction of new or significantly improved products, services, processes, organisation methods and/or business practices by firms to the market as measured during a specific reference period (cf. OECD, 2005). Therefore, innovative tourism firms are those who have introduced new or significant improvements to their products (or services), processes and/or business practices during the period under review (2010-2012). Figure 2 shows an aggregation of all tourism innovations identified. Product (28.3%), marketing (23.1%), environmental (17.5%), organisational (14.3%), processes (8.4%), structural (4.8%) and social (3.6%) innovations in tourism are observed. Definitions for innovation per type are provided in Table 1. Note that this paper does not detail the innovation types identified since it is primarily focused on interrogating the geography of tourism innovation which includes the mapping of innovations by tourism firms and analysing local tourism networks in the Western Cape.

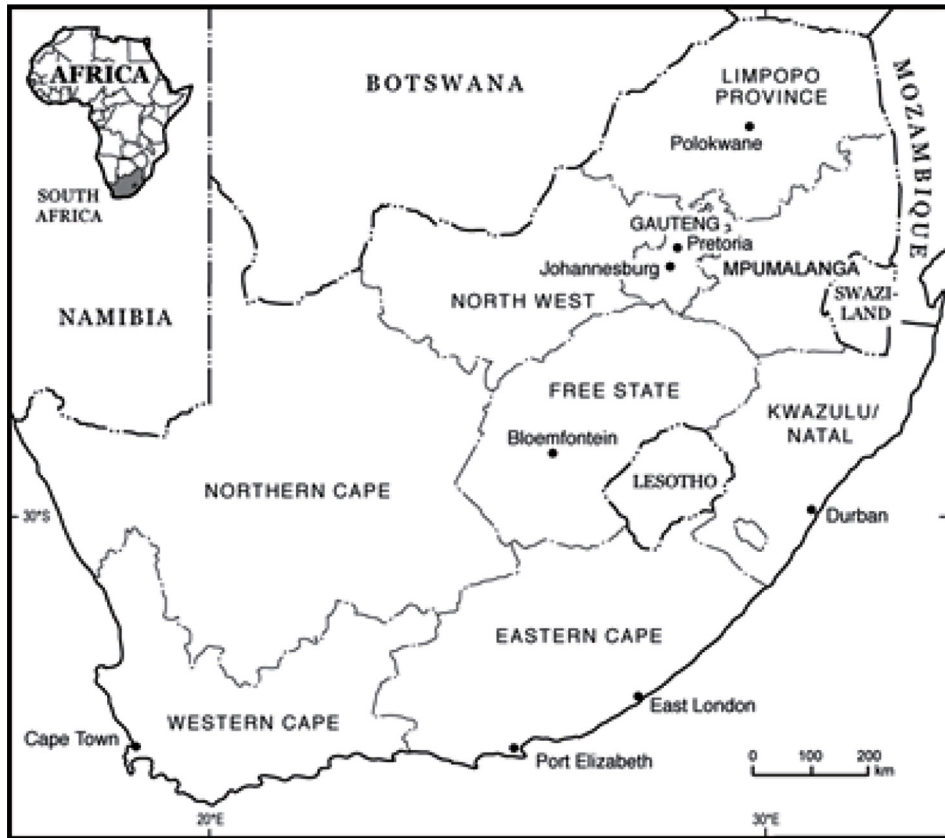


Fig. 1. The Western Cape, South Africa

Source: Authors

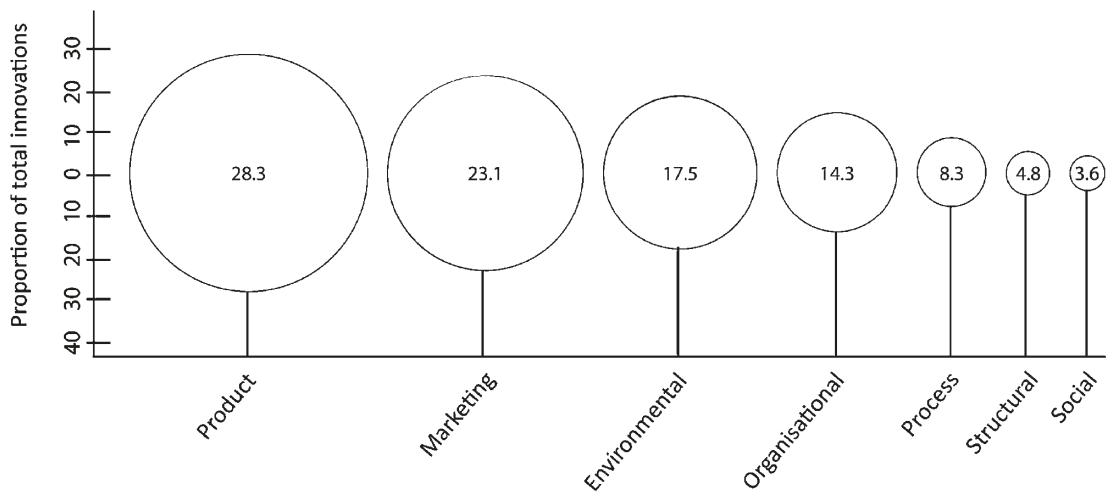


Fig. 2. Tourism innovations per type

Source: Authors

Table 1. Innovation definitions per type

<p>Product innovation^a The introduction of a new or significantly improved product or service to the market with respect to its characteristics or intended uses such as its capabilities, components, materials, software, user friendliness or other functional characteristics.</p>
<p>Marketing innovation^a The implementation of a new or significantly improved marketing method including better addressing customer needs, opening up of new markets, or newly positioning of the firm's product on the market with the objective of increasing the firm's sales.</p>
<p>Environmental innovation^b The implemented of a new or significantly improved product (or service), process or practice to ensure environmental benefits or reduce adverse environmental impacts.</p>
<p>Organisational innovation^a The implementation of a new or significantly improved change in the firm's structure, management methods, business practices, core-operations, workplace organisation or external relations intended to improve a firm's use of knowledge, the quality of products or services, the efficiency of workflows and productivity, or reduce administrative or transaction costs.</p>
<p>Process innovations^a The implementation of a new or significantly improved method for the production, distribution or delivery of products and services or to raise the performance of operations. This includes changes in techniques, equipment and/ software.</p>
<p>Structural innovations^b The implemented of a new or significantly improved product (or service), process or practice to ensure social benefits or reduce adverse social impacts.</p>
<p>Social innovations^b The implementation of a new or significantly improved collaborative or regulatory structure, or initiative for the benefit of the local economy (or community) or destination which extends beyond the boundaries of a firm or institution.</p>

Sources: a. Adapted from the Oslo Manual (OECD, 2005), b. Authors' working definitions

4. The geography of tourism innovation in the Western Cape

Figure 3 provides the location of innovative tourism firms. In the analysis the closest town to remote/rural firms is used for mapping purposes. This research regards the town of Stormsrivier as functionally part of the Western Cape region, since it is part of a destination-based tourism network in the area of Plettenberg Bay and the Tsitsikamma Forest which predominantly falls within the Garden Route tourism region (situated in the Western Cape). It is acknowledged that tourism destinations and regions do not necessarily fall within political borders (cf. Cornelissen, 2005).

It is evident from the analysis that tourism innovation is dense in the Cape Town city-region, and further concentrated in main places. This corresponds with the finding that large firms are more innovative than small firms. The head offices of large tourism firms such as large hotels and attractions or groups (for instance hotel, travel services and transport groups) are mostly located in urban areas. Large firms are also more dynamic in terms of innovation. In other words, they have more innovations than smaller firms and their innovations are more novel. Innovation activity at firm level is also observed in several small towns in the region which are popular tourism destinations (Hoogenboom, Nel, 2012). Important examples are towns in the Cape Winelands like Paarl, Stellenbosch and

Franschhoek; the West Coast town of Paternoster; Robertson in the Breede River Valley; Hermanus in the Overberg region; and the larger towns on the

Garden Route such as George, Wilderness, Knysna and Plettenberg Bay.

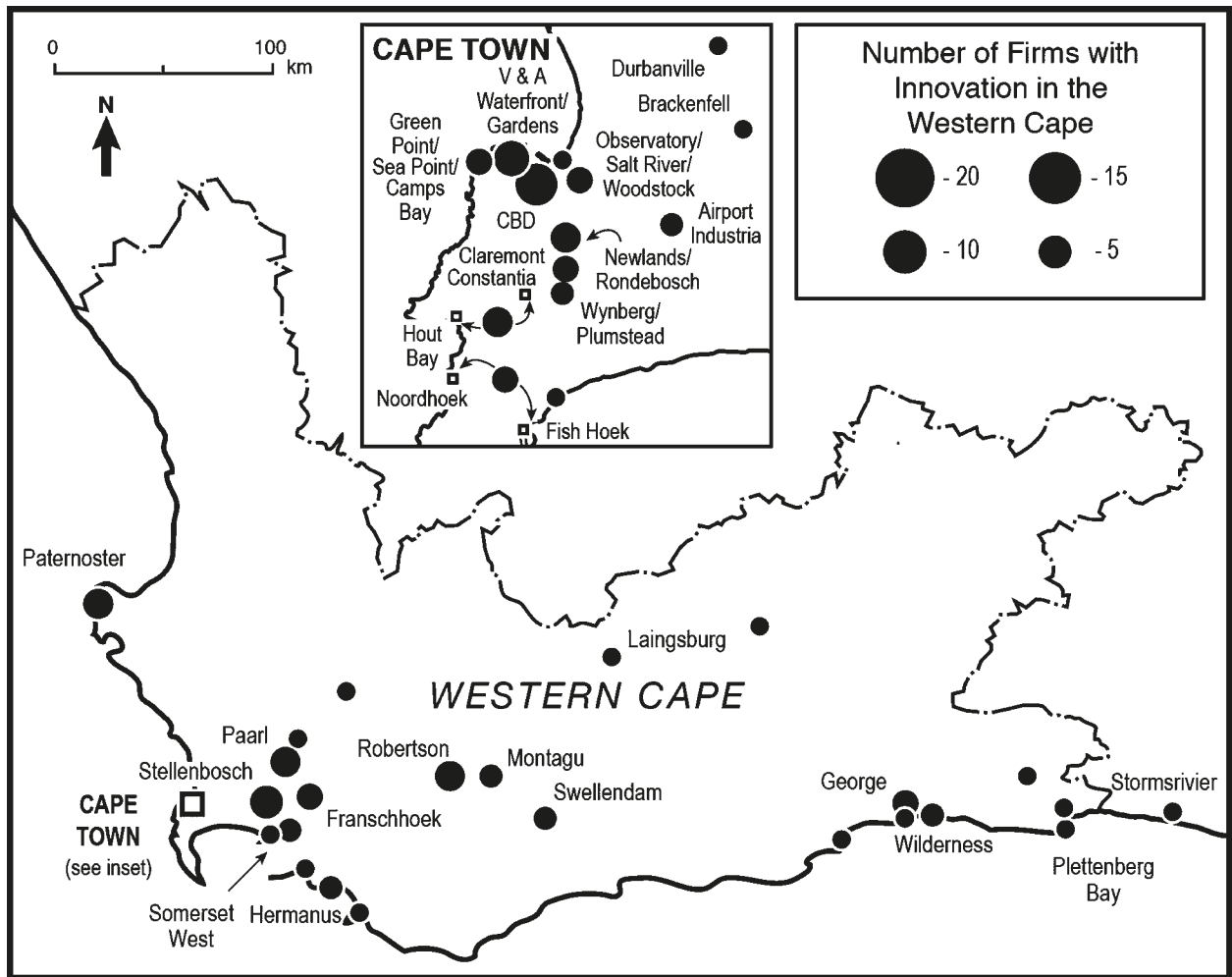


Fig. 3. Location of innovative tourism firms in the Western Cape

Source: Authors

The nature of innovation by location is considered first by mapping at the distribution of innovation types in the Western Cape’s tourist regions (Figure 4). Second, an aggregation of innovation type by location (urban, small town or rural) is examined (Figure 5). The tourist regions are informed by Cornelissen (2005) who specifies the Western Cape’s tourism regions as Cape Town, Winelands, Overberg, Garden Route, Klein Karoo, Central Karoo, Breede Rivier Valley, and West Coast.

The results offered in Figure 5 demonstrate that the Cape Town city-region has the most product innovations, followed by marketing innovations, and then equally by organisational and environmen-

tal innovations. Examples of product innovations in the city-region include new or significantly improved accommodation offerings (particularly hotels), tourism experiences or activities, restaurants, events and tours. Furthermore, it is observed that tourism experiences and activities are mainly culture-based, rather than nature-based in the Cape Town city-region. The high occurrence of marketing innovations in the city-region can be ascribed to increased competition and the need for firms to innovate in order to market themselves better. Examples of marketing innovations by tourism firms in Cape Town are major improvements to websites, rebranding activities, changes in marketing strategy

towards greater online presence and use of e-marketing tools which includes social media, and shifts to new geographical markets like China and India. Examples of organisational innovation comprise new strategic alliances or partnerships, major operational changes, various measures to reduce costs, improve service quality and enhance efficiency, staff and organisational restructuring, and improved staff training. Environmental innovations typically consist of new or improved measures to save electricity and water consumption, and reduce waste. For example, the use of solar power, power saving (LED) lights, heat pumps, grey water systems,

recycling practices, and environmentally-friendly cleaning materials. Further practices are the use of vehicles with better fuel consumption and lower emissions and new build green buildings (cf. Rogerson, 2014). The largest shares of structural and social innovations are also found in the Cape Town city-region. Structural innovations are those initiatives which change overall regulatory structures or benefitted the local economy or destination on the whole. Examples in the city-region are collaborative marketing and responsible tourism initiatives with a focus on social upliftment and environmental sustainability.

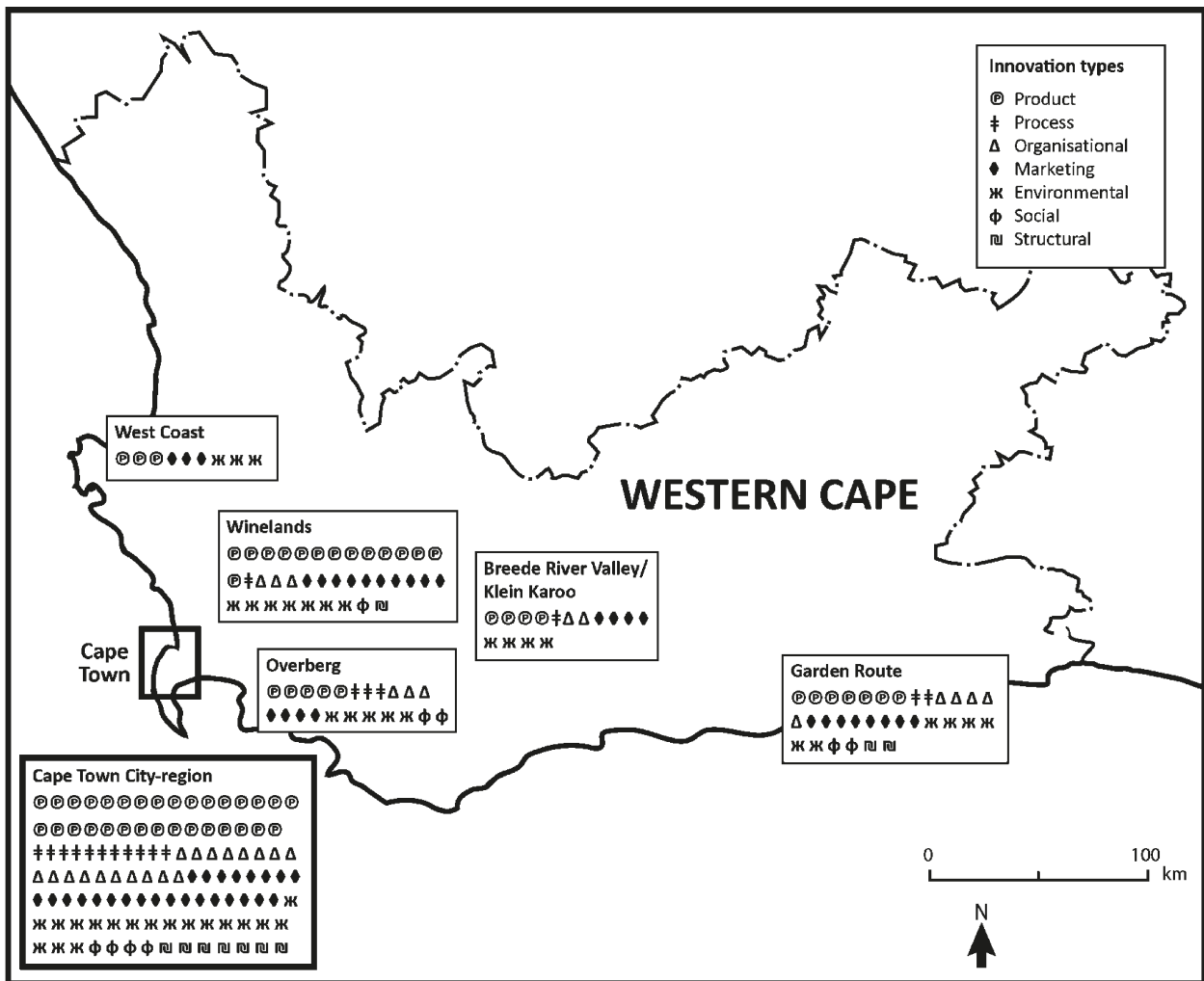


Fig. 4. Distribution of innovation types in the Western Cape's tourist regions

Note: The Central Karoo region is not included on the map because of few innovation observations. In addition, data for the Breede Rivier Valley and Klein Karoo areas are combined for the purpose of this analysis.

Source: Authors

The Winelands region enjoys the second largest number of innovations. The majority of innovation occurring in this region is product innovations, followed by marketing and organisational innovations. The nature of innovation across the Winelands region closely resembles innovation in the Cape Town city-region. It is, however, observed that product innovations typically are new or improved wine tourism products, and organisational innovations are fewer than in Cape Town since organisational innovations are common in large firms which are mostly based in Cape Town. The nature of marketing and environmental innovations in the Winelands region is similar to those observed in Cape Town.

The Garden Route region has the third most innovations. Similar to innovation in the Cape Town city-region, most innovations are product, marketing and environmental. In terms of differences observed, there are more nature-based tourism product innovations in this region. This can be ascribed to the physical environment of this region that lends itself to adventure and nature-based tourism activities. Marketing and environmental innovations are similar to those observed elsewhere, except the region has a higher incidence of environmental innovations linked to nature conservation and the maintenance of bio-diversity. This region also has the most social innovations related to environmental innovations such as initiatives to uplift local communities and to preserve nature. In certain cases, both of these are related to structural innovation when initiatives are collaborative and benefit a local community or destination on the whole.

Innovation patterns in relation to product, marketing and environmental innovations are mirrored in the Overberg, Breede Rivier Valley/Klein Karoo and West Coast regions. Overall, these innovation types are the prevalent types identified. The innovation pattern in the urban areas of these regions closely parallels that of the Cape Town city-region. Process innovations dominate in large firms which are typically city-based. These are often Information Communication Technology (ICT) based systems. In rural areas, process innovations also consist of ICT-based systems in the form of new booking and customised ticketing systems. In rural areas, however, process innovations are fewer in number and less sophisticated. Nature-based activities are more prevalent in rural than urban areas which had more

culture-based activities. Urban areas have, in relation, fewer environmental innovations than small towns or rural areas. This is because conservation practices are also included and these are more widespread in rural and small town areas than urban environments. In comparison, organisational innovations are more common in large, city-based firms, than firms in other locations as mentioned in the discussion on the Cape Town city-region.

5. Local innovation networks in the Western Cape

5.1. Overall findings on systemic relationships and local innovation networks

Overall this investigation determines that the main purpose of tourism networking in the Western Cape is to enhance marketing and business prospects, and that networking for innovation purposes is relatively weak. Networking relations are further identified as predominately loose and local, whilst strategic linkages to external expert knowledge are highly beneficial in terms of innovation. In addition, it is observed that tourism firms in the Western Cape make use of both sectoral and geographical networks.

In terms of systemic relationships for tourism innovation, the findings of this study point to fragmented tourism networking activities within the tourism system at regional and local levels, and poor integration of government functions (cf. Booyens 2015, 2016). Collaboration is thus relatively weak as a result in the Cape Town city-region between actors in the tourism system. It is observed that extant formal tourism networking relations rarely support innovation and higher education is regarded as a 'missing link' in the Western Cape tourism system. Overall, there is scant evidence to support the notion of a functioning regional tourism innovation system in the Western Cape as only a few, isolated examples of local tourism networks can be identified.

With regard to local innovation networks, three cases in the Western Cape are highlighted. It is discerned that these networks are localised, niche market focused, small, informal, and mostly exist in

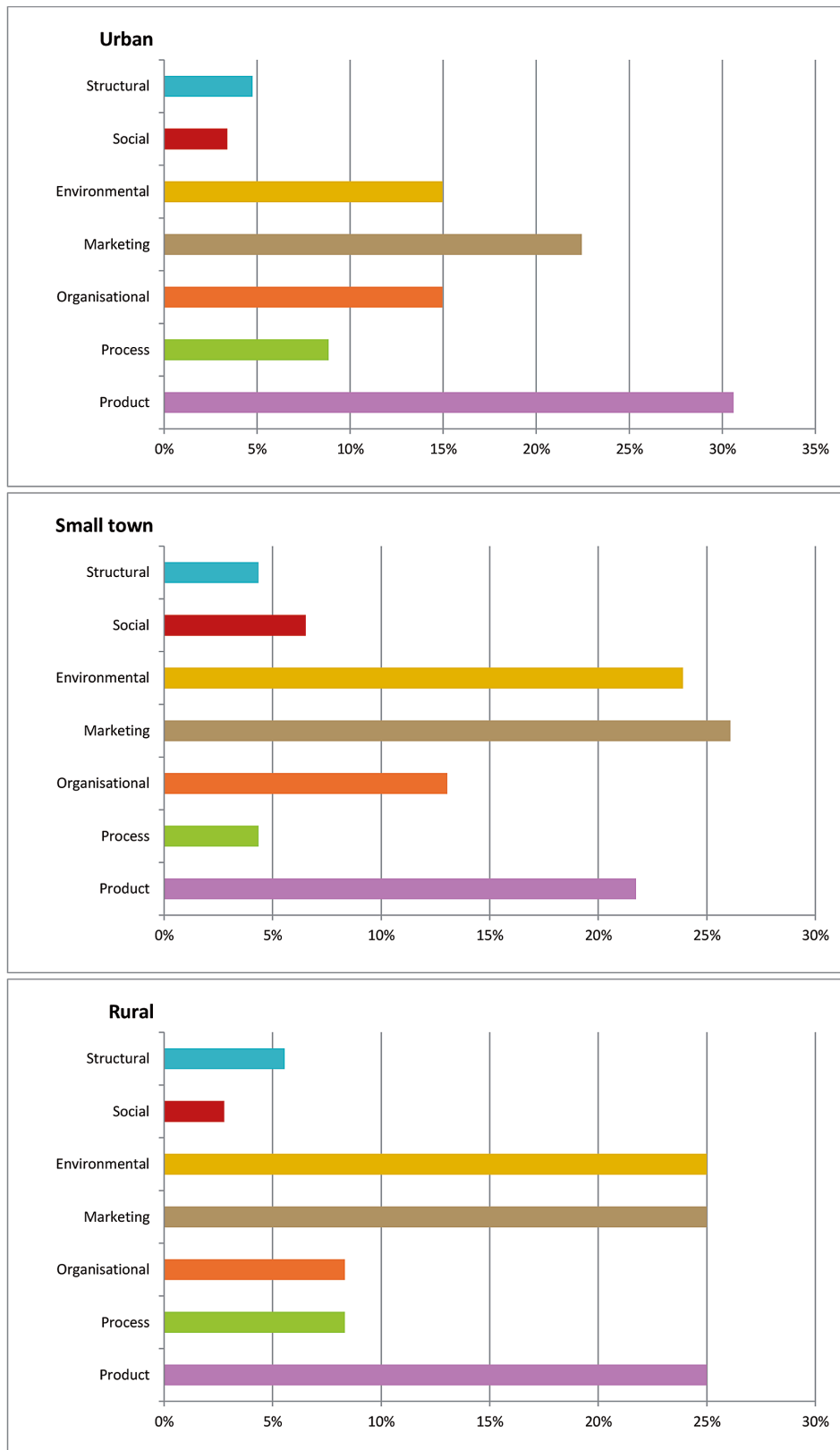


Fig. 5. Aggregation of innovation types by location

Source: Authors

isolation (not interacting per se with a wider tourism system). There is some evidence of strategic linkages with institutions and non-local partners. One example is the Tsitsikamma network which centres on responsible nature-based tourism. Another case is a network of creative experience-based firms in Cape Town which collaborate with various local and non-local firms and organisations to develop niche market tourism products (cf. Booyens, Rogerson, 2015). Isolated examples of structural innovation driven by public institutions are also identified. The promotion of responsible tourism in Cape Town by the City of Cape Town and the provincial government with various cooperating firms as part of this local innovation network is one such illustrative case. To unpack the workings of local innovation networks the case of the Tsitsikamma network is explored in more detail.

5.2. The Tsitsikamma nature-based tourism network

The Tsitsikamma network consists of a group of nature-based tourism firms which operate in and around the indigenous Tsitsikamma forest situated between Plettenberg Bay and the town of Storms-rivier (see Figure 3). These nature-based tourism firms in the area provide a range of adventure tourism activities such as zip sliding, river rafting, bungee jumping, hiking, mountain biking, and various animal encounters with whales, elephants and monkeys (see Giddy, Webb, 2015). All respondents interviewed are involved in social or environmental innovation, for instance social and environmental programmes and projects which are part of their core business. Several respondents asserted that they are passionate by social issues and environmental conservation. It is clear that innovation drives competitiveness in this niche market. Tourism firms are also involved in a collaborative marketing initiative, known as the Active Garden Route, through which likeminded 'ethical' members market their products.

Storms-rivier Adventures is one of the lead firms driving environmental and social innovation in the network. The company was the first to erect zip-lines in South Africa and now has seven other franchisees, six in South Africa and one in Mozam-

bique. They are regarded as leaders in their field and claim to be the first Fair Trade adventure tourism operator in the world. They started with product innovation which grew into a strong brand and franchise and then expanded by providing nature-based product diversification and implementing social innovation. The enterprise focus is on reducing the impact of their operations on the environment and of empowering people through skills development. They share best practice with others in the network and are instrumental in promoting the take up of responsible tourism in the area according to various firms participating in the network. In addition, the enterprise works with the Department of Labour to develop unit standards for safety and responsible operations by zip-line operators. Further, Storms-rivier Adventures encourages others in the franchise group to do what they do. Such initiatives are regarded as examples of structural innovation (see Table 1 for definition).

It is identified from the experience of the Tsitsikamma network that tacit knowledge for innovation is transferred and absorbed through dense, local networking relationships based on trust and shared values. Various firms in the area motivate each other towards ethical behaviour and responsible tourism. They are innovative in terms of social and environmental innovation. One firm remarked:

“We work well with others in the area who are also ethical operators. More accommodation establishments and other adventure and nature-based tourism operators in the area are coming on board in terms of responsible tourism”.

Another firm in the network observed:

“The tourism sector really works very well in our area. We (competitors) do not have a choice but to stick together since our location is remote, we do not have the advantage of being in a large city. Our relationships between competitors are based on respect, it is about relationships”.

Novel or dynamic innovation is only identified at a handful of firms which usually are headed by visionary individuals who drive initiatives in the network. The other firms are followers and implement mainly forms of incremental innovation. Nonetheless, innovative behaviour by leading tourism firms

results in the adoption of responsible tourism practices by other participants in the network and thereby raises local destination competitiveness. The wider impact is positive and findings confirm the informal relationships and strong local embeddedness can drive both innovation and competitiveness which in turn impacts upon local growth and structural change in an area.

It is further observed that the activities of firms related to social, environmental and structural innovation are driven by passionate entrepreneurs through external knowledge linkages. Local Tourism Organisations seemingly play only a minor role in this network, albeit there exists collaboration between tourism firms and conservation bodies in the area and with national departments.

6. Discussion

6.1. Spatial trends of tourism innovation

This research determines that the most popular tourism regions in Western Cape, namely Cape Town, the Winelands and the Garden Route (cf. Cornelissen, 2005), also exhibit the highest concentrations of tourism innovations. This finding corresponds with arguments which suggest that innovation propensity appears higher in dense urban areas due to agglomeration economies (Ren et al., 2014). This investigation found tourism innovation to be mostly concentrated in Cape Town, the largest city in the province and also one of South Africa's most innovative cities (cf. Lorentzen, 2009). Further explanations follow in relation to high innovation propensities as observed in the Cape Town city-region, Winelands and Garden Route. First, tourism firms are likely to be more innovative than those in areas peripheral to the main tourist regions due to increased competition (cf. Fagerberg, 2013; Porter, 2008). Second, large firms are also observed to be more innovative and large firms are usually situated in functional urban areas which include larger towns, rather than small towns or rural areas (cf. Sørensen, 2007). Third, it is observed that tourism firms in small towns are usually accommodation establishments or restaurants. Therefore, the tourism product offerings in small towns are limited. Accordingly, there is lack of attractions and activities,

transport linkages and other tourism services in certain small towns and rural areas which are not well developed as tourism destinations. In summary, this research contributes to debates on the geography of tourism innovation, by observing that most tourism innovation in the Western Cape occurs in urban settings; whilst there is evidence of innovation by tourism firms, and local innovation networks. It is noted that the degree to which tourism innovation in urban destinations can be ascribed to urban agglomeration needs to be investigated further in the local context.

In relation to types of innovation by location across the international and South African experience it is confirmed that innovation in rural areas often is closely related to agro-tourism like wine tourism (Bruwer, 2003; Ferreira, Muller, 2013; Hall, Baird, 2014; Rogerson, Rogerson, 2014b), craft beer tourism (Alonso, 2011; Rogerson, Collins, 2015) or nature-based activities (Carson et al., 2014; Hjalager, 2010, 2014). In addition, a creative tourism innovation network is observed in Cape Town which contributes to local and international discourses on urban creativity, innovation and tourism (cf. Booyens, Rogerson, 2015; Richards, 2013; Rogerson, 2013; Środa-Murawska, Szymańska, 2013; Vissler, 2014; Waitt, Gibson, 2014). With regard to other types of innovation, marketing innovations are observed to be prevalent in tourism. The marketing practices of urban, small town and rural firms appear to be similar, as do environmental innovations with the exception of conservation-based environmental innovation which is evident in rural areas. Overall, there are more organisational innovations in urban areas which can be ascribed to the presence of large firms introducing organisational changes. Structural and social innovations are observed in all contexts (urban, small town and rural) and the nature of these innovations are similar, except that such innovations tend to be more nature-based in rural areas.

With regard to rural tourism innovation, it is illustrated that a passion 'to make a difference' in terms of social or environmental issues is the key driver of innovation by ethical tourism entrepreneurs as identified in this research. This is confirmed in certain international examples. Gardiner and Scott (2014) state passionate and committed individuals are vital for the success of nature-based

clusters on the Gold Coast of Australia. Likewise, similar arguments are made by Notaro et al. (2012) in the case of nature-based tourism in New Zealand and Italy, and by Ahmad et al. (2014) in the case of eco-tourism in Sarawak. Overall, the activities of ethical entrepreneurs are associated with visionary leadership which is imperative for innovation and confirmed by the findings of this South African investigation.

6.2. Tourism innovation networks or systems

This research reveals evidence of a number of localised tourism innovation networks where there is cooperation between tourism firms with support of certain public bodies. Nevertheless, these local innovation networks are observed to be few in number, small in extent, isolated (often rural) and loosely coupled (cf. Brouder, 2012; Carson et al., 2014; Ronningen, Lien 2014; Sundbo et al., 2007; Weidenfeld, Hall, 2014). In addition, it is confirmed that networking linkages with non-local or extra-regional strategic partners appear highly beneficial for learning and innovation by tourism firms in parallel with the work of Hoarau and Kline (2014). Therefore, this research corroborates economic geography discourses which emphasise external linkages are of consequence for firm level innovation and for regional competitiveness (Brouder, Eriksson, 2013b; Thomas, Wood, 2014; Rodríguez-Pose, Fitjar, 2013; van Egeraat, Kogler, 2013; van Geenhuizen, Soetanto, 2013; Williams, 2014). Nonetheless, this research offers a nuanced understanding of tourism networking, beyond a primary focus on extra-regional networking linkages for accessing knowledge for innovation purposes, but indicating that local embeddedness remains a significant consideration since tourism firms rely on other local firms within their destinations not only for innovation purposes, but also for their survival and continued success.

Specific contributions are made in this research relating to tourism innovation networks in rural, as well as urban areas. First, it is confirmed local embeddedness is important for tourism innovation, particularly in rural areas (cf. Brouder, 2012). Local embeddedness, local knowledge and good cooperation between tourism actors were observed to fos-

ter tourism innovation in the Tsitsikamma tourism network. In addition, this study shows the role of public sector involvement in successful and innovation rural tourism destinations (see Brouder, 2012; Kapera 2012). Second, examples are highlighted of local innovation systems in urban areas centred on niche-market tourism such as the creative experience-based (Booyens, Rogerson, 2015) and responsible tourism networks in Cape Town (cf. Booyens, 2015). In both these cases, open innovation occurs whereby tourism firms share information and collaborate with competitors to create shared products. It is reiterated that trust relationships are essential in this regard. According to the open innovation paradigm, successful innovation stems from collaborative activities which comprise inter-firm and intra-organisational actors, as well as various external stakeholders to access internal and external knowledge for innovation purposes (Hoarau and Kline 2014; Rodríguez et al., 2014). The results of this research confirm an organisational culture of openness to new ideas and learning is conducive for tourism innovation in the Western Cape.

7. Conclusions

This paper contributes to an emerging international literature on tourism innovation pertaining to knowledge networks and innovation systems in tourism. Our analysis of the geography of tourism innovation reveals that the main tourist regions in the Western Cape are also the most innovative. This said, differences are observed in relation to innovation types by location. A core finding is that there is scant evidence to support the notion of a functioning tourism innovation system in the Western Cape as only a few, isolated examples of local tourism networks are identified. In terms of international innovation debates local embeddedness is shown as critical for stimulating path creation for identifying local, core resources and competencies, and niches in the local division of labour, which provides a strategic perspective on innovation (cf. Fuglsang et al., 2011). Core contributions from this case of tourism innovation geography from the global South include that whilst external networking relations are observed as highly significant for tourism

innovation, local embeddedness remains critical for stimulating path creation and exploiting local core competencies for the competitiveness and survival of tourism firms and destinations. These issues are highly significant for regional competitiveness in the Western Cape. Indeed, the findings highlight a policy need for the strengthening of networking relations among actors in the Cape Town and Western Cape tourism systems, and to bolster networking linkages to extra-regional knowledge sources in order to enhance tourism innovation and galvanize the formation of innovation networks or systems in the region.

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