

Emerging Economy Tourism Entrepreneurs and Natural Disasters: place-based response to business disruptions?

Tourism entrepreneurs (TEs) operating in the natural disaster ridden international tourist destinations (TDs) located in an emerging economy, oftentimes, experience business disruptions as a place-based affair. TEs just as other TD stakeholders are embedded in a relatively inflexible spatial, temporal, sociocultural and socioeconomic context which constitute a place. This makes it cumbersome for TEs to define a universally applicable set of guidelines which should guide their response to an ND-induced business disruption. The TEs must adapt a highly complex abstraction patterns to produce strategies which make them prepared for almost everything.

The success of emerging international Tourist Destinations (TDs) depends largely on the ability of the stakeholders to collaborate in every day and emergency situations (Johannisson & Olaison, 2007; Olaison, 2014). The individual and organizational scales constantly interact and intersect looking to solve problems affecting tourism entrepreneurs individually or collectively as a TD. We find emergency situations often described as disasters which are further divided into man-made and natural. The Natural Disasters (NDs) translate into business, community and market crises in TDs. This research is concerned with the relationships between factors contributing simultaneously on both small business and destination scales, and specifically the TEs' actions and strategies deployed in the context of an emerging international TD.

Lack of knowledge about business models or road maps which draw on TE perspective to propose ways to deal with ND-based business disruptions is the problem tackled by this research proposal. A more nuanced and actionable knowledge is required to develop intertwined individual-sectorial risk management strategies and policies whereby Tourism Entrepreneurs' and Tourist Destination practices align and converge into tools actionable on both individual and collective scales.

This research is informed by the Practice Theory which from a business studies point of view provides us with the concepts to consider before entering the field. Paraphrasing Runyan (2006), the elements of business model for the entrepreneurs seeking to "stay in the game" after a natural disaster onset, are the practices and attributes of small business owners which help them prepare for, respond to and recover from a natural disaster induced business disruption. Taken together, the ability and capacity to overcome ambiguity and shock of low probability but high consequence event directly or indirectly affecting the TD where the TE does most of its business, is what characterizes a resilient TE (loosely based on Runyan, 2006).

Further, this research proposal is based on Grounded Theory as methodological approach (Locke, 2001). It is so, because the following sections show that there are empirical and theoretical gaps which signal the need for exploratory research with open and evolving strategy.

In this research proposal, Tourism Entrepreneur resilience is understood as a desired dynamic condition of a business functioning within a defined territory and/or business sector, i.e. Tourist Destination and Tourism, and which is determined by the ability and capacity of the entrepreneur to adapt and change in the long run before and after a ND, and act to mitigate negative effects by resolving problems related to a ND event that disrupts normal operation of the business or the

entire Tourism Sector. In the same vein, the TE practices are visible and tangible day to day actions which hold a meaning and significance to the individual. These concepts will only orientate the semi-structured interview guide development and formulation of criteria for selecting which social media contents to analyze further because open emerging design was chosen for this study.

Empirical Context

According to the National Strategy for Research, Development and Innovation for the Natural Disaster Resilient Chile (CREDEN in Spanish), “[o]n average, each year between 1980 and 2011, Chile recorded losses close to 1.2% of its GDP, due to [reoccurring] natural disasters.” (2016). Tourism contributes nearly 4 % of Chilean GDP. There are almost 45 000 entities doing business in the sector, 96 % of which are SMEs or smaller (SERNATUR, 2013, 2014). Chilean territory constantly faces the threat of earthquakes, tsunamis, volcanic eruptions, floods and related calamities, wild forest fires (Gutiérrez-Vega, 2013).

Most of the said businesses have a short lifecycle with market exits and re-entries being a constant approach (sometimes strategy). As such, they are a natural laboratory for entrepreneurship research because they set up nascent ventures, invent and reinvent products and services on a small scale. Business or management studies on corporate dynamics or mature business life-cycle mostly overlook these entities or entrepreneurs.

Northern Chilean Patagonian Tourism Entrepreneurs were selected because of frequency of natural disaster onsets and the variety of NDs which affect the tourist destinations where these entrepreneurs operate their businesses. Also, Chilean economy is considered to be “emerging” or “maturing” (Nasdaq, n.d.). Arguably, developing country entrepreneurs deal with different sets of issues than emerging economy ones, especially when it comes to resources, entrepreneurial ecosystems, cultural and social capital and the like. Inductive research would offer insights into the range of issues which affect these TEs. Such issues have not previously been documented.

Empirical and Theoretical Gaps

The issue of Tourism Entrepreneurs’ experience of Natural Disaster induced business disruptions and crises when operating in Tourist Destinations based in emerging economies has not been analyzed empirically yet. Further, existing theories and conceptual explanations fall short of providing us with an understanding of how the TEs’ operating in emerging international TDs act and react in the face of business disruptions and crises induced by NDs (Faulkner, 1999, 2000; Biggs, 2011; Biggs et al, 2012; Gutiérrez-Vega, 2013).

To discover the theoretical gap the following key words were searched (in diverse combinations): “natural disaster” AND “tourism” AND resilience / preparedness / risk mitigation / response / recovery / restoration / adaptation AND/OR “entrepreneur” / “business” / “business disruption” AND “emerging economy” / “developing economy”. Thereafter, the literature was organized in double entry tables with the “theory-approach” situated on the horizontal plane while “issue-problem-phenomenon (findings and contributions)-approach” were listed on the vertical plane.

Another spreadsheet mapped out by indicating the amount of publications with the above key words in titles and abstracts published from 2001. Thereby, journals were listed by line and years by column.

Technical publications such as UN-WTO manuals, European Travel Commission, APEC and CREDEX reports have also been reviewed for secondary and tertiary data and references to empirical studies. The scientific and technical literature has revealed the following conceptual gap.

The socioeconomic impacts of non-man made or natural disasters onto a business is not a new topic. But, in business and management research, empirical reports outside supply chain disruption and implications for post-disaster marketing are scarce. Engineering, accounting (insurance costs) and risk management literature reports on the extent of losses and recovery speed in various industries and sectors (López, 2010; Hall et al, 2016). Studies on risk management and firm survival include themes such as resilience of SMEs in the context of globalization and new technologies (Gunasekaran et al, 2011), SME recovery from NDs such as extraordinary hurricane storms (Runyan, 2006).

Further, it is widely recognized that Tourism is a unique sector which has individual, personal, business, territorial, national and international implications (Farrell, 2004, 2005; Faulkner, 1999, 2000; Hall et al, 2016). There are several world-wide studies on a variety of aspects of Tourism Resilience. Various researchers, such as Lloyd (2008), Larsen et al (2011), Biggs et al (2012), Falk (2012) and others looked at Thai urban and coastal destinations, tourism sector and enterprise resilience, in the aftermath of floods and tsunamis. Gutiérrez Vega (2013) has developed a tool for comparing TD resilience in an emerging economy setting in Chile after the 2010 earthquake. Hall et al (2016) presented a thorough review of business, organizational, sectorial (consumer demand) and destination resilience in New Zealand urban settings after Christchurch earthquakes, and suggested a number of themes which need to be explored to expand our knowledge on post-disaster management.

Research Question and Objectives

The ND induced business disruption, sometimes referred to as crisis, research in Tourism Studies is conceptually limited to marketing strategy (dealing with issues of tourist flows' recovery, sampling consumer (tourist) attitudes and perceptions) and local economy recovery or community resilience problems (Faulkner, 1999, 2000; Biggs, 2011; Biggs et al, 2012; Hall et al, 2016). To dive into the individual scale yet remaining sensitive to the collective context/s, the proposed PhD research is to address the question of **how tourism entrepreneurs (TEs), based in international emerging tourist destinations, such as the Northern Chilean Patagonia, experience business disruptions induced by natural disasters?**

The general objective of the proposed study is to develop better understanding of the TEs' experiences of operating their businesses in the context of an emerging international tourist destination susceptible to natural disasters. It is important to consider how individual experiences of business disruption feed collective interactions yielding place-based practices.

Specific objectives are:

- (i) To study tourism entrepreneurs' experiences and practices related to business disruption by a natural disaster;
- (ii) To contribute novel analysis of business / organizational resilience in the context of an emerging international tourist destination of the Northern Chilean Patagonia;
- (iii) To conceptualize how entrepreneurs, interact with other social institutions of a tourist destination prior to / after a natural disaster;
- (iv) To produce a conceptual-theoretical model for small-scale business resilience building.

Approach and Strategy

The purpose of this research is to produce actionable knowledge on the individual organizational scale by exploring tourism entrepreneurs' dealing with the notion of actual or potential business disruption by a natural disaster onset in a tourist destination where business operates.

In the first stage, statistical method for determining “emerging international tourist destination” in the Northern Chilean Patagonia will be used coupled with non-participant observation results which were obtained by me when working as part of a research team of the Chilean government sponsored CONICYT FONDEF D09R1004 project. It spanned from 2010 to 2014 and was situated in three comunas (administrative territorial unit), i.e. Curarrehue, Pucon and Villarrica. Based on the pre-study data collection this site was selected as the place, an emerging international tourist destination in Northern Chilean Patagonia. Entrepreneurs from the Tourism Sector, such as self-employed persons and micro business owners who have had businesses during one of the natural disaster onsets (2010 earthquake, 2014-2015 wild fires and 2015 volcanic eruptions), will be invited to participate in the research. However, there is an emerging TE profile of businesses which do not draw on TD locations or resources to offer services (i.e. digital technology-based service developers). This study leaves these TEs aside.

During the second stage, qualitative techniques will be incorporated to complete the mixed research methods approach (Corbetta, 2007; Creswell, 2014). Grounded Theory for semi-structured questionnaire which will seek to reveal the TEs' experiences in the aftermath of the 2010 earthquake, and 2015 wild-fires and volcanic eruptions, and ask for their experience with tourist destination's managing bodies. Semi-structured interview questionnaire will contain the questions through which I will seek to elicit categories by conceptually describing situations and environs affecting the TEs' actions and decisions before and during a natural disaster onset and/or when business disruption manifests itself. Data analysis will be conducted through the Nvivo contents coding software whereby Practice Theory will inform analysis and interpretation of this data as it is known to be an appropriate framework for analysis of the relationship between the experiences, practices and the place, i.e. tourist destination (O'Reilly, 2014).

During the third stage, content analysis technique will be applied through Nvivo to the social media contents seized through the said software. All of this to capture “practice stories” which “explain a phenomenon by describing how it develops over time as norms, rules, and organizational arrangements are acted on and adapted by individuals as part of their daily lives, in the context of their communities, groups, networks, and families” (O'Reilly et al, 2014).

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