# CO-OPERATION STRATEGIES ENHANCING THE INNOVATION I N NATURE-BASED TOURISM SERVICES

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#### Abstract

Nature-based tourism is rapidly growing industry sector providing new kinds of sources of livelihood to the rural areas to diversify the traditional economics. However, the level of innovations in nature tourism and recreation services has not been reported as very high. The innovations in nature-based tourism typically occur not as a result of specific innovation systems but rather "between" existing ones, and as a result of a more spontaneous, project -oriented cooperation of various actors. Therefore, in creating new ideas and opportunities, the role of key actors and cooperation partners is essential. The successful co-operation with the different stakeholder groups has found to have clear connections on the company's business performance and in the long run the company must operate in such a way that the stakeholder groups are satisfied. To be able to combine all these different types of actors to cross-sectoral networks and co-operation is essential and it provides a big challenge especially in small and micro company level.

This paper aims to illustrate by using 10 case studies around Europe (AUT, FIN, RO, SLO and Scotland), what kind of strategies small and micro size nature-based tourism companies have created in order to establish and maintain the critical co-operation with the main stakeholder groups effecting their business activities and social sustainability of companies. As a result two different strategies, business approach - and community approach -strategy were found. The results clearly highlight the important role of informal co-operation and co-operation networks in nature based tourism innovation process.

Key words: nature-based entrepreneurship, stakeholders, co-operation, multiple use of forests, case study

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## 1. INTRODUCTION

Nature-based tourism can broadly be defined as tourism, with main activities related to nature (Saarinen 2001). It is a growing industry sector providing new sources of livelihood to diversify the traditional rural economics, namely agriculture and forestry. The income generating form nature tourism typically remains in the rural regions, it usually requires strong local knowledge base and the sector is labor intensive (e.g. Saarinen 2003, Honkala 2001), which characteristics make it especially interesting in respect of rural development.

In general tourism is one of the most rapidly growing industry sectors at the moment. Within it, especially nature-based tourism has had high growth rates and the growth has been estimated to continue in near future with increasing respect for the pure authentic nature by the consumers (Ryymin 2006). For example in Finland the growth rate of the turnover of nature safari companies exceeded up to 8,5 % during 2003-2004 and even the growth rate of smaller nature tourism companies exceeded up to 6 % (Ryymin 2006). At the same time the growth of traditional saw mill industry was practically non-existent (Hänninen and Toppinen 2004).

However, even though the nature-based tourism sector is growing rapidly in many respects in Europe, the level of innovations (both product and process innovations) in nature tourism and recreation services has not been reported as very high (see e.g. Nybakk et al. 2005, Rametsteiner et al. 2005). This brings out the question, if the possibilities and opportunities have been recognised and utilised in all their potential. The competition in the nature tourism is increasing concerning especially foreign niche customer groups. The innovativeness is an important element in the competitiveness of companies and has been seen as one of the indicators of the future development of the sector (e.g. Rametsteiner et al. 2005).

In creating new ideas and opportunities, the role of key actors and co-operation partners is essential. Those actors, who have the knowledge and access on nature resources, play very

important role. In European context nature-based tourism utilizes typically forests in some form and in many cases the forest areas are not owned by the entrepreneurs. This brin gs out not only the questions of property rights but also the one of combining the interests of user groups of the forest areas (Matilainen and Lähdesmäki 2009). Equally important role have those actors, who have the "access to customers" in the marketing channels. For a nature-based company to be able to combine these different types of information and actors to cross-sectoral networks and co-operation is essential, and it provides a big challenge to the sector especially in small and micro company level (see e.g. Rametsteiner et al. 2005, Luostarinen 2005, Lunnan et al. 2005). The important questions in order to support innovation activity in nature-based tourism sector are, how simultaneously guarantee the access to the needed natural resource (in this s tudy forest areas) and to the customers, organize the business activities effectively and to combine the interests of different stakeholder groups, both local and wider, for the use of forest areas in order to successfully generate and develop the nature-based tourism sector as part of rural economics.

In order to overcome these problems, the small and micro size companies have to find successful networking and co-operation strategies (Virkkala 2006). Typically rurally located nature based tourism companies form complex co-operation relationships to ensure their activities, and are continuously developing this co-operation, without which their companies would extinct. In addition especially in rural regions the social sustainability of business activities p lays an important role in success of the company (Lähdesmäki 2005)

This paper aims by using cases throughout Europe, to illustrated, what kind of co-operation strategies nature-based tourism companies have developed for managing the most critical stakeholder groups in order to reach the local acceptance for their business activities and maintain and develop their innovations further.

#### 2. THEORETICAL BACKGROUND

# 2.1 INNOVATION RESEARCH AND REGIONAL GOVERNANCE - PROVIDING BASES TO THE INNOVATION OF RURAL NATURE -BASED TOURISM COMPANIES

Innovation research has often studied innovation processes in large firms that pursue explicit innovation strategies and run R&D-departments. Scholars, however, have learnt that innovation is a process that does not only take place within companies, but also between companies and between companies and many other actors. Besides of various types of private and public actors also institutional framework conditions are important to form and success of innovation processes. The systems of innovation approach (Lundvall 1992, Nelson 1993, Edquist 1997) defines innovation as a result of systems that consist of actors and institutio nal settings whereby actors include - besides of the company and as important as them – authorities, interest organisations, consultancy agencies and research and education institutes. Institutional settings on the other hand are understood as formal and informal rules and norms, e.g. public policies or the innovation and interaction culture in certain regions or sectors. Innovation systems are often understood in a narrower sense as established, enduring systems that are explicitly and strategically orient ed at creating innovations in a national economy – national innovation system (Nelson 1993), a sector – sectoral innovation system (Breschi, 1997), or a region – regional innovation system (Asheim, 2002). Innovations in nature-based tourism are of significantly different in nature: they typically occur not as a result of specific innovation systems but rather "between" existing ones, and as a result of a more spontaneous, project-oriented cooperation of various actors (Kubeczko et al, 2006).

Such kind of innovation processes are particular important in regions with weak economic and institutional structures and crucial for the economic development of such regions. This is often case with many rural regions. These processes are studied under the headings of regional development, regional governance and learning regions.

The early concepts of industrial districts (Harrison 1992) and enterprise clusters (Porter 1998) pointed out the importance of interrelationship of regional enterprises. Consequently,

"company networks concepts" where enlarged to also comprise socio-cultural and political networks, leading to the concept of the "creative" or "innovative milieu" (Cooke and Morgan 1994; Capello 1996; Maillat 1996). These strands of theorizing assume that innovative regions have to be supported by three network systems: business, social and political networks (Weber 2002; Fornahl and Brenner 2003). The regional actors' adaptability and their ability to learn is the central question of the study of "learning regions" (Florida 1995; Asheim 1996; Morgan 1997).

Some representatives of the learning regions approach look at innovation processes in regions with weaker capacities. In their analyses they focus on the role of social capital and trust, formal and informal inter-firm networks and the process of interactive learning (Asheim 1996, Morgan 1997). Important resources for innovation and economic development are the capacity of people, organisation, networks and regions to learn. Authors often look at "network organised innovation projects" (Asheim, forthcoming). In these studies, the basic features of innovation systems are used but more broadly interpreted and applied to any co-operations or networks of actors in innovation projects (innovation systems in a broader sense).

The critical networks and co-operation partnerships for innovation systems in broader sense can be seen to be formed from different types of stakeholders relating to the innovation initiatives. The crucial issue is, how all the key stakeholders are taken into consideration so that successful networks and partnerships can be formed and social sustainability of the business activities can be guaranteed.

# 2.2. THE ROLE OF STAKEHOLDERS IN FORMING SUCCESSFUL CO-OPERATION AND CREATING SOCIAL SUSTAINABILITY FOR RURAL BUSINESS

It has been stated that transferring corporate social sustainability of to the business objectives is best undertaken by using the stakeholder approach (Clarkson 1995). In their operational environment the rural SMEs have different kind of stakeholder groups influencing their scope of action. As a stakeholder can be defined any group or individual who can affect or is affected by the achievement of a corporation's purpose. (Freeman 1984) for example when company's activities set limitations to land use of local people. The impact and influence mechanism of to business environment vary depending on the type of stakeholder group. The stakeholders can be divided into "primary stakeholders", who have formal, official or contractual relationship with the company and to the secondary stakeholders, who represent the rest of interest groups in the business environment, like local people, forest owners etc. (Carroll 1989 and 1993, Clarkson 1995, Näsi 1995).

The influence these stakeholders have to companies' activities can be direct or indirect. Frooman (1999) has divided the stakeholder influence between a company and stakeholder group based on the resource dependence. If the company's dependence on the stakeholders' resource e.g. in case of nature tourism forest land, is high, more likely direct influence mechanisms are used in the co-operation between the company and stakeholders. In cases when the dependence is low and stakeholders do not control the critical resources for company's operations, the indirect influence methods via other stakeholders are used (Frooman 1999, Sharma and Henriques 2005).

The successful co-operation with the different stakeholder groups has found to have clear connections on the company's business performance (e.g. Besser 1999). According to Näsi (1995) in the long run the company must operate in such a way that the stakeholder groups are satisfied or the company's activities will likely cease. Bryson (2004) also h ighlights that it is important to satisfy the key stakeholders at least minimally according to their own criteria for satisfaction. This brings out the need for entrepreneurs to be able to understand the stakeholder's agenda, which is sometimes difficult to identify. The failure to understand the unforeseen hidden power and influence of stakeholders has led to countless project and business failures (Bourne and Walker 2005, Nutt 2002) Typical example of the significant role of stakeholder's hidden power are planning and decision making processes of the utilization of nature resources (see e.g. Sharma and Henriques 2005, Bisi 2008).

In rural areas there seem to be more expectations from the stakeholder groups towards the companies than in urban areas (Lähdesmäki 2005). This highlights the critical role of fluent cooperation between the company and stakeholders. The stakeholder groups are unique for each company and its actions based on e.g. location, line of business, networks, customer base of the company. They are also very multiplicity and form a complex network (Neville and Menguc 2006). In many cases it is impossible to satisfy fully all the stakeholder groups. Therefore it is important to identify the key stakeholders (Bryson 2004). There have been developed different kind of stakeholder analyses and practices to locate the most critical stakeholders for different processes and activities (e.g. Bryson 2004, Bourne and Walker 2005, Cleland 1999, Neville and Menguc 2006). According to Mitchell et al 1997 the critical attributes in defining key stakeholders are power of the stakeholder, legitimacy of the stakeholder concerning the stake and urgency, the stakeholder claims attention to his claims from the entrepreneur.

In this paper the approaches mentioned above are combined in certain extent and a company approach was chosen. The stakeholders, without whose acceptance or co-operation the company's innovation process would not have been possible, or the business activities could not continue successfully on the long run are considered as critical or key stakeholders, regardless whether the stakeholders can be seen primarily or secondary, or whether the influence of the stakeholders is direct or indirect.

The companies have developed different various co-operation strategies, either strategically considered or unconscious, in order to sustainable co-operate with and manage different stakeholder groups. The chosen strategies influence also directly on the business decisions of the operators (Besser and Miller 2001).

#### 3. MATERIAL AND METHODS

In this study interpretative and descriptive perspective was adapted for studying the relationship between the entrepreneurs and their key stakeholder groups in innovation process of nature-based tourism. This kind of qualitative approach is well justified choice in order to understand any phenomena about which little is yet known (Strauss & Corbin 1990). The aim is a rather inductive analysis (see Glaser & Strauss 1967; Strauss & Corbin 1990). For studying the innovation process a case study –approach has been chosen, in which the cases are designed as innovation cases on enterprise level. A case study is considered to be an appropriate research strategy to investigate contemporary phenomena within their real -life context, especially when the boundaries between the phenomena and the context are not clearly evident (Yin 2003; Perry 1998), like typical when investigating an innovation process. Furthermore, case studies can be descriptive, explanatory or exploratory in their nat ure (Yin 2003).

The empirical data consist of 10 case studies representing five different European countries (AUT, FIN, RO, SK and Scotland (UK)) providing a collection of cases each representing different institutional settings with regard to access to forest land, innovation support system and forest ownership. The sampling of the interviewees was made by a purposive sampling in order to ensure manageable and informative data (see Patton 2002). The case studies have been collected by the co-authors of the article by using joint semi-structured thematic interview guideline, which allowed flexible conversations to take place still ensuring that all the main issues were discussed (see e.g Patton 2002). The themes were chosen to cover the critical aspects relating co-operation networks of forest based nature tourism companies, especially focusing on mapping out the critical stakeholder groups and their management.

The interviews were conducted during 2004 - 2009. In most of the cases innovation carrier has been visited by the case author. The data collection methods comprised personal face -to-face, telephone and e-mail interviews with core actors of the innovation project. In addition written sources such as internal or official project documentations, pre ss releases, newspaper articles, information on websites, brochures etc were used. The critical key stakeholder groups for each case were identified by the case authors based on the data (Table 1).

The data was analysed by using analyst-constructing typologies, in which patterns, categories and themes are looked for from the data and based on these, typologies were formed (Patton 2002). For this purpose a common analyzing framework was created. Typologies are built on ideal types rather than complete and discrete set of categories and they provide one simple form for presenting the qualitative comparisons (Patton 2002). Unlike classification systems, typologies do not provide rules for classifying. Instead, typologies usually identify multiple ideal types, each of which represents a unique combination of the attributes that are believed to determine the relevant outcome (Doty and Glick 1994). In other words the typologies and their characteristics emerge from the data during the analysing instead of being decided in beforehand. Since the typologies present complex ideal types, the cases can have elements from several different typologies. In analysing, the case descriptions were cross-checked by co-authors in order to ensure the quality of the results and to avoid the risk of creating analyst-constructed typologies that are too much influenced by the analyser (Patton 2002). The summary of cases is presented in the table 1.

#### 3.1. CASE STUDIES AND THEIR INNOVATIVENESS

All the cases, even though representing different nature tourism activities, represent new innovative form to utilize forest areas for benefiting economics of the region in a form of private company or wider network of actors. Common to all cases are several critical stakeholder groups without whose support the activities could not have been established or maintained.

## "Almliesl" - Marketing of forest cottages for tourists, Austria

The marketing initiative carrier is a regional unit of the Austrian Federal Forests, whose innovation was to renovate and lease 12 traditional forest houses and hunting cottages to tourists. After severe troubles, the project was reorganised by handing over the marketing to a tourism agency offering quality cottages in Austrian mountain provinces under the brand "Almliesl". In the case traditional heritage cottages has been managed to transform business activities without endangering the traditional or social value of the cottages. However, the successful stakeholder management has played significant role in success.

## Canopy walkway Sauwald, Austria

The innovation initiated by a private farmer aiming to diversify his business activities by offering in his forest a canopy walkway and a forest restaurant. The innovation was carried out as EU Leader+ -project and the canopy walkway is managed by the society "Baumkronenweg". In contrast to other canopy walkways in Europe, the Sauwald was consciously built from wood. In the first season the project attracted more than 100.000 visitors and employs 12 people. In the case a new innovative use of forest was created.

## **Hunting in Eastern Finland**

The private company Finnhunt Oy, organises moose and small game hunting in private and State's forests. The company has managed to transform innovatively a traditional leisure activity holding passionate interests from different stakeholder groups (e.g local recreational hunters and general public) as commercial activity and has been successful in finding suitable customer groups for their products. One of the most important success factors has been close co-operation with local hunting clubs and landowners from very beginning in order to maintain the social sustainability of the activities and with Central European sales organizations in order to have access to the markets.

## Horse back riding tours in Finland

The private company, Kainuun vaellustalli, organises horseback riding tours utilizing mainly the privately owned forests. The company organises tours around year on daily basis and has managed to find successful additional source of livelihood for remote rural region as well as managed to utilise the customer base of bigger tourism companies of the region. Also they have managed to negotiate successfully with several private non industrial forest owners (up to 100) to be able to establish riding routes long enough for their activities being the only horseback riding company in the region.

## Dorna Adventure, Romania

Dorna Adventure is a private company initiated by two partners providing e.g. boats rides on Bistrita River, mountain climbing, biking, paint ball and horseback riding tours and courses. The innovativeness of Dorna Adventure, is to offer something unique in the forest area and developed prerequisites for that. For the enterprise it is essential to collaborate with the private and public actors actively in order to maintain their activities in the long run in the struggle against the existing rivers pollution destroying the beauty of the area as well as sustaining the economic sustainability of the micro company.

## The Calimani National Park, Romania

The Calimani National Park is a public park with main purpose of protection and conservation of unique natural elements, giving also the possibility for visits in scientific, educational, recreational and touristic purposes. Its establishment in 2004 provided also a lot of opportunities to develop new innovative forest tourism and recreation activities in the area, like hiking, mountain biking, horseback riding, photo safaris, bird watching tours etc. To maintain and develop the innovation it is very important sustain fluent co-operation between the National Park, the private companies and the interest groups.

# Huntly peregrine wild watch, Scotland

Wildlife interpretation centre providing wild watch opportunities is managed and implemented by the national Forestry Commission in its own woodland. Several animal species can be seen in the area, but the main attraction is the peregrine's nest existing in the site and visited by a couple of peregrines every year. There are cameras filming the peregrine s feeding the chicks and also their other activities around the nest. The project is considered to be innovative because it uses cameras to show on wildlife activities as live recording and it is free of charge for the visitors.

## Mountain biking, Scotland

A private enterprise in the Tweed Valley, Scotland provides mountain biking opportunities and organize biking courses in the forest areas mainly owned by national Forestry Commission. The forested environment plays major role in attractiveness of the services by providing unique opportunities for the tracks. The company has found an innovative way to works within a network of businesses in the area and have created a Mountain Biking Hospitality Scheme providing a pack of services like bike courses and accommodation packages, to improve the forest based mountain bike tourism activities in the region.

## Forest tourism in Velky Klíž forests, Slovakia

Urbarium (shared ownership type) of the village Velký Klíž associates about 600 owners of agricultural and forest land. The most important drivers for innovative new services in area were aim to diversify production activities, ensure additional income for the members of Urbarium and enhance the development of the municipality by using the existing natural and cultura 1 potential. The facilities were jointly built to serve for the accommodation of guests and provide base for other services offered by Urbarium V. Klíž. Nowadays for visitors in urbarial forests various recreational services (e.g. accommodation in the forester's house, 9 round trails, forest guides) are provided.

## Vydrovská valley, Slovakia

Vydrovská valley is a touristic destination located in one of the largest villages of Slovakia, ierny Balog. The valley includes several tourist attractions related to forestry like the narrowgauge iernohronská railway (HŽ), open-air forest museum, primaeval forest. The activities are based on the work of Vydra-(Rural Development Activity) aiming to contribute to the sustainable development of the rural region. In co-operation with other similarly oriented NGOs they actively seek for new initiatives to develop the region further. The trademark Vydrovská valley was formed based on the region's attraction and possibilities for tourism.

Table 1. the summary of the case studies and the key stakeholder groups of the cases

Country	The case	The identified key stakeholder groups for the innovation
Austria	"Almliesl" –	MTS Almliesl tourism agency and other local tourism partners,
	Marketing of forest	local people (neighbours), Public authorities
	cottages for tourists	

		Firms involved in construction of the canopy walkway,	
		Members of the society Baumkronenweg, Public administration	
Finland:	Private hunting enterprise	Hunting clubs, Landowners, Selling agencies, Other SMEs, Local people, General public	
Finland	Horse riding tours	Private land owners, Metsähallitus, Other SMEs, hunting club, regional developers	
Romania	Dorna Adventures, private nature-tourism company	Public administration (municipality tourism officials), Other private SMEs, Volunteers, trainers, guides	
Romania	The Calimani National Park	National Administration of Forests (Suceva and TG Mures branch offices), Forest research and management institute, The Association of Forest Owners, Forest Group Josenii Bârgâului, local SMEs	
Scotland	Huntly peregrine wild watch /Wildlife interpretation centre	Scottish Agricultural College (SAC), Primary Gartly School, North East Raptors Study Group	
Scotland	Mountain biking	Local tourism consortium, Forestry Commission, Local farmers, Local community council	
Slovakia	Forest tourism in Velky Klíž forests	Local forest owners (Urbarium), Local associations (like hunting clubs), local people, ALEA (association focusing on marketing in web, organizin g exhibitions of tourism etc), Local joiners, Local municipality	
Slovakia	Vydrovská valley joint nature tourism	Vydra (Rural Development Activity), Lesy SR state forest enterprise Cierny Balog, HŽ (local company operated narrow-gauge railway), The local municipality, other enterprises	

#### 4. ANALYSIS AND RESULTS

When studying the co-operation between the innovation carrier and key stakeholder groups, two clear strategies for stakeholder management were found in all cases, even though the cases represented different nature tourism activities in different institutional settings. The strategies were further analysed based on 3 characteristics, which were emerged from the data to represent the typical characteristics and differences of the strategies:

**Formality of the relationship** (formal-informal): in the formal relationship typically written contracts were issued, when the informal relationships were based on verbal informal agreements or interpretations of discussions.

The communication: the style of the communication between innovation carrier and stakeholder group was analysed based on its regularity and forums it was conducted in. Based on these it was divided into official and unofficial communication. In official communication, the communication between parties is regular and happens based on formal meeting related to business actions and/or agreements. In some cases even minutes of the meetings are made and distributed to the participants. The unofficial communication, even though it can be very vivid happens typically from non regular basis as random chats or discussions. Also the role of personal relationships with the stakeholder group representatives is big.

**Type of co-operation:** The co-operation was analysed further in details by using three different concept pairs: horizontal or vertical co-operation; unisectoral or cross sectoral co-operation; and based on the local networks or based on wider networks outside the region or with higher levels e.g. in a form of political levels or national actors. The horizontal co-operation was defined as a co-operation within one level of production, when the vertical co-operation refers to the co-operation along the production chain. The unisectoral co-operation was defined as co-operation occurring within one sector, in this study primarily referring to forest sector. By the cross sectoral co-operation on the other hand is meant the co-operation within more than one industry sector.

The first found co-operation strategy can be called **business approach** -**strategy**. In this strategy the co-operation critical for success of the innovation case was established and maintained strongly based on business to business activities providing typically monetary benefits to both parties. Monetary benefits were also used as just ification and favoring arguments for establishing

the co-operation and "selling the innovation" to the stakeholder group in question. The relationship can be described as normal business relationship with written agreements and contractual rights and they were very formal in nature. In almost all vertical co-operation relationships the business approach –strategy was applied, since as part of production chain the stakeholder groups in question were usually sub-contractors or selling and marketing organizations. However, also in horizontal co-operation business approach was used, especially when other local SMEs were in question. Due to its formality, business approach was used both in managing the local stakeholders as well as the stakeholders outside the region.

The communication in the business approach -strategy was typically official based on the business actions between the innovation carrier and stakeholder group. The personal relationships were important in enhancing the co-operation, but they were not highlighted or seen perquisite for it.

In addition to business –approach, in the case studies became clearly visible so called **community approach - strategy**. In this strategy, the innovation was justified and argumented with "benefits to whole area" and "improvement of regional economics" – discourse by the innovation carrier. Also more general level values like "nature conservation", "nature education" and "increased knowledge on forests" were used as arguments for innovation implementation. Regardless, whether the innovation process was carried out by private company aiming for maximizing their benefits, this strategy was used especially in managing local and regional stakeholder groups in securing the social sustainability of the activities. Even tho ugh this is not as such very surprising, the cases clearly illustrate the extremely significant role of local stakeholders as well as community approach –strategy in maintaining successful co-operation in forest-based nature tourism innovations.

In co-operation relationships applying community approach -strategy, the compensation for the stakeholder group for their work, land etc. was not necessary paid. The innovation carrier expected the stakeholder groups also to contribute for general good and "benefit to the whole region", even though the direct benefits would be allocated primarily to the innovation carrier. In some cases the innovation carrier did not seek for profit from their activities, like in Huntly peregrine watching activities in Scotland. In these cases the role of community approach –strategy was even more highlighted. However, the community approach -strategy was not really utilized in managing stakeholder groups outside the region.

The communication in community approach –strategy could be very vivid or relatively random, but it was typically very informal in nature. Usually the co-operation occurred also in local or at most in the regional level and the role of personal relationship between the innovation carrier and the stakeholder groups was highlighted. In some cases, where the personal relationship was non-existing, local mediators were used. The co-operation was both uni-sectoral as well as cross sectoral and typically horizontal co-operation relationships occurred. Also interestingly in cases, in which the private forest land was not owned or administrated by the innovation carrier, in order to gain the access to required forest area, typically the community approach –strategy was used.

In addition to two above mentioned strategies a lso so called **ignoring or non existing** – **strategy** was found. Concerning some stakeholder groups the innovation carriers did not have any kind of co-operation strategy, even though the stakeholder group was identified as critical to the innovation success. In some cases the importance of these stakeholder groups was not recognized properly by the innovation carrier, but also in some cases these stakeholder groups were seen too massive, outside of region or difficult to manage by the innovation carrier in orde r to even try to maintain proper co-operation relationship with them. This was the situation e.g. related to the general public concerning hunting tourism in Finland. The entrepreneur realized the importance of general public as stakeholders in influencing the business environment, but had not come up with any actual active strategy to apply for this group. In cases same types of stakeholder groups were co-operated in the local level (usually local people), the community approach -strategy was used.

## 5. CONCLUSIONS

In all cases there were found both business approach and community approach -strategies used for managing the co-operation with different stakeholder groups. In general the business approach was applied into co-operation with so called business partners and community approach was used in managing the local level stakeholder co-operation. This as such is not very surprising, and to be able to define the strategies further there is a need to study both main strategies more closely in order to find more detailed, innovative co-operation aspects and tools.

However, the results clearly highlight the important role of informal co-operation and co-operation networks in nature based tourism innovation process (Table 2). Even the cases represent different institutional settings and entrepreneurial environment, in all cases the role of informal, local level co-operation was vital for the sustainable innovation activities in the forest based nature tourism sector. These kinds of relations are important in regard to very different types of stakeholders, including authorities, neighbors or interest groups. Even if these groups are not formally involved in the business activity, they might put the project at risk, if good relations are not maintained. The informal co-operation networks were vital both in cases, in which the innovation carrier was business focused and in cases in which the innovation carrier did not seek direct profit from the activities.

In addition to improve the business activities and skills of the companies and actors, the focus of public development activities should also be in increasing innovation carriers perquisites to establish and maintain critical informal co-operation. This brings also out an interesting question related to various innovation support schemes implemented in EU, national and regional levels. Do they support adequately also this informal co-operation? The co-operation based on business approach clearly brings concrete benefits, increased business, for both parties in co-operation relationship. In the co-operation based on community approach on the other hand, the benefits to the stakeholder groups are typically not so concrete, at least on short term.

In some cases the stakeholder groups, which typically have been managed by using community approach -strategy were in fact managed at least partly by using business approach - strategy. By selecting this strategy in the studied cases the social sustainability of innovation carrier's activities was increased significantly. This was the situation. e.g. in the cases of hunting enterprise in Finland concerning the local hunting club co-operation and forest tourism in Velky Klíz Forests in Slovakia concerning the local forest owners. By recognizing the local stakeholder group holding important resource at least partly as a business partner and allocating benefits, even as a token, to them, the local acceptance for the activities and the status of community approach - strategy arguments were improved. The activities were seen in practice to "benefit the whole area".

In general, however, even though the forest owners had the vital resource to the innovation activities, have direct influence mechanism to use in co-operation relationship and the innovation is very much dependent on the successful co-operation with this stakeholder group, in cases where the forest area was not owned or managed by the innovation carrier the community approach—strategy, with no actual compensation was prevailing. The forest owners were not typically seen as bu siness partners in the innovation processes, even in some cases there were indications towards this direction. In areas where the pressure to use forests for nature tourism and recreation activities owned by others than innovation carrier is high, this approach brings out interesting questions concerning the forest owners' role as resource provider in the future.

Table 2. The role of business and community approach strategies in co -operation with key stakeholder groups

	stakenoider groups		
Case	Business approach <u>_strategy_(formal)</u>	Community approach -strategy	
		(informal)	
Austria:	MTS Almliesl tourism agency	Neighbors	
Almliesl – Marketing forest	other local tourism partner	Local people	
cottages for tourists	Public authorities		
Austria: Canopy walkway	Firms involved in construction of the	Members of the society Baumkronenweg	
Sauwald	canopy walkway	Public administration	
Finland: hunting tourism	Hunting clubs	Hunting clubs	
	Selling agencies	Landowners	
	Other local SMEs	Local people	
Finland: Horse riding tours	Metsähallitus	Private land owners	
-	Other SMEs	Local hunting club	
	Regional developers		
Romania Dorna Adventures,	Public administration	Volunteers, trainers, guides	
	Other private SMEs		
Romania: The Calimani	National administration of Forests	Local SMEs	
National Park	Forest Research and Management Institute		
	The Association of Forest Owners		
	Forest Group Josenii Bargaului		
Scotland: Huntly peregrine	Scottish Agricultural College	Primary Gartly School	
wild watch /Wildlife		North East Raptors Study Group	
interpretation centre			
Scotland: Mountain biking	Tourism consortium/mountain biking sub	Forestry Commission	
	group	Local farmers	
	Local farmers	Local community council	
Slovakia: Forest tourism in	Local forest owners	Local forest owners	
Velky Klíž forests	ALEA (marketing association)	Local recreational associations	
	Local joiners	Local people	
		Local joiners	
		Municipality	
Slovakia: Vydrovská valley	State forest enterprise Cierny Balog	State forest enterprise Cierny Balog	
joint nature tourism	CHZ (local company operated narrow -	Local municipality	
	gauge railway)		
	Other enterprises		

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