

Research note

Unlocking the niche potential of senior tourism through micro-firm owner-manager adaptive capability development

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ABSTRACT

This paper explores the role of adaptive capability development among micro-tourism owner-managers (OMs) in pursuit of the niche potential of the evolving senior tourism market. We discuss strategic adaptive capability development in a tourism micro-firm environment, prior to outlining the research context and adopted interview method used to elicit OM views. Findings indicate that limited human resources impede the level of adaptive capability engagement in micro-tourism firms, whereby operational level capabilities act as an antecedent to adaptive capabilities. Such adaptive capabilities, including market sensing capabilities and senior tourism alignment activities, are developed by OMs as a means of differentiating their respective firms from sectoral rivals in pursuit of niche market potential. Extracted from the findings, we present a Senior Tourism Adaptive Capability Framework prior to disclosing the study's practical and theoretical implications.

1. Introduction

This paper explores the role of adaptive capability development amongst micro-tourism owner-managers (OMs) in pursuit of the niche potential of the evolving senior tourism market. Micro-firms are those entities employing less than ten full-time staff (European Commission, 2016), representing the vast majority of tourism operators across Europe, while senior tourists are defined as those over the age of 55 for the purposes of this study. While adaptive capabilities can help OMs to make appropriate adjustments to their business and its strategic focus in response to fluid trading conditions (Schindehutte & Morris, 2001) affiliate to the growing senior tourism market, little is known about how these capabilities can maximise this market's niche potential (Otoo & Kim, 2018; Pestana, Sánchez & Moutino, 2019). The research question asks, 'How can the adaptive capability of micro-firm owner-managers maximise the niche potential of senior tourism?'

Senior tourists' relative affluence and propensity for flexible, all-year round travel schedules (Borges Tiago, Couto, Tiago, & Dias Faria, 2016) offer significant niche potential as high-value customers. They also possess a greater affinity for longer trips which are more profitable to accommodation providers than shorter stays (Alén, Nicolau, Losada, & Domínguez, 2014; Huang & Tsai, 2003). This demographic presents an opportunistic and heretofore untapped potential for the tourism

micro-firm sector, particularly when treated as a multi-variant segment (Alén et al., 2014). The micro-firms that populate the tourism landscape are uniquely aligned towards the provision of the senior tourism experience (Thomas & Thomas, 2006), however, the firm's success depends on how well OMs adapt both to external market signals and internal stimuli that align with the strategic ethos of the firm. Operational demands may impede the development of strategic endeavours in this resource limited environment (Battistia, Beynon, Pickernella, & Deakins, 2019; Kelliher & Reindl, 2009). Thus, OMs require market sensing capabilities to mobilise these resources by taking appropriate strategic actions to align internal organisational factors with the evolving senior tourism market (Eshima & Anderson, 2016; Reinhardt, Gurtner, & Griffin, 2018). We single out adaptive capability for analysis under this mantle, focusing upon the micro-firm OM's 'ability to identify and capitalise on emerging market opportunities' (Wang & Ahmed, 2007, p. 37), within the senior tourism market.

This study addresses the call for additional research into the area of tourism micro-firm market adaptation (Evans, 2016; Schindehutte & Morris, 2001) and their interaction with the concept of dynamic capabilities (Easterby-Smith, Lyles, & Peteraf, 2009; Grant; Verona, 2015; Kelliher, Kearney, & Harrington, 2018; Teece, Pisano, & Shuen, 1997). It also addresses a lack of research into senior tourism as a distinct market segment (Alén et al., 2014; Caber & Albayrak, 2014; Losada,

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Domínguez, & Nicolau, 2016; Pestana, Sánchez, & Moutinho, 2019). Moving beyond the cyclical efficiency of operational capabilities affiliate to earning a living in the present (Cepeda & Vera, 2007) could help OMs to engage with higher level adaptive capabilities (Helfat & Winter 2011; Peteraf, Di Stefano, & Verona, 2013; Reinhardt et al., 2018) as a means of resource rejuvenation and product/service enhancement for the senior tourism market, thereby offering a practical value to this study.

The remainder of this conversation paper is structured as follows: we discuss strategic adaptive capability development in tourism micro-firm OMs prior to outlining the research context (south east region of Ireland) and adopted interview method. The paper goes on to discuss the research findings and extracts key theoretical and practical contributions relating to the study.

2. Theoretical underpinnings

Strategic adaptive capability (SAC) manifests itself as an alert responsiveness to nascent marketplace signals (Ma, Yao, & Xi, 2009) in order to capitalise on emerging market opportunities, such as those affiliated to the growing senior tourism market (Carlisle, Johansen, & Kunc, 2016; Pestana et al., 2019). As an owner-led entity, micro-firms primarily depend on the OM to develop the strategic capability to vision and understand these future scenarios (Kelliher et al., 2018; Lawson & Samson, 2001). Taking this perspective, strategic orientation is assumed to hold an outward view of the alignment between strategic choices (technology, customers and competitors) and the environment; as opposed to an inward perspective which focuses on the reconfiguration and redeployment of firm resources (Teece, 2012). Removed from the routine operational aspect of the business, SAC is positioned within the realm of higher level capabilities (Peteraf et al., 2013; Thomas & Wood, 2015). This concept reflects the OM's capacity to redesign resources and stratify processes in response to emerging senior tourism trends and market demands (Pestana et al., 2019) in order to create a better fit between the organisation and the emerging competitive environment (Schindehutte & Morris, 2001).

2.1. Micro-firm OM senior tourism market sensing capabilities

Market sensing is a firm's iterative and measured ability to 'learn about customers, competitors and channel members in order to continuously sense and act on events and trends in present and prospective markets' (Day, 1994, p. 43). This sensing capability produces superior market knowledge which is critical to the concept of dynamic capability development in tourism micro-firms (Battisti et al., 2019; Kelliher et al., 2018). Day (1994) argues that market orientated firms have superior market sensing and customer linking capabilities, and that once embedded within the organisational ethos, all ensuing organisational processes and functional activities will be geared towards predicting and engaging with market changes ahead of competitors.

In a micro-firm setting, strategic learning primarily rests with the OM, and it is this activity that feeds into long-term adaptive capability that allows the firm to break away from their current strategic path (Sirén, Hakala, Wincent, & Grichnik, 2017). However, the OMs face challenges in embarking upon adaptive capability development (Eshima & Anderson, 2016). They have certain managerial shortcomings, as capabilities tend to be developed by 'trial and error' in micro-firms and often in reactive response to market change. OMs are also gatekeepers to scarce resources, which are valuable and costly to replace if wasted indiscriminately (Kelliher & Reinl, 2009). They must balance concerns over the longevity, nature and size of the opportunity with the design of an appropriate strategy before contemplating such a venture (Schindehutte & Morris, 2001). A lack of knowledge or competing managerial and operational demands can compound this issue (Lieberman-Yaconi, Hooper, & Hutchings, 2010), putting pressure on OMs to continuously adapt (Sirén et al., 2017). Angle and Perry (1981) posit that such

adaptability manifests itself within a multi-disciplinary cohort of skills: the ability to rapidly respond to environmental fluidity and challenges; to mirror best practice and new modes of operation; to forecast problems and to generate the capacity to embrace change. Drawing from these earlier insights, Battisti et al. (2019) highlight the need for small firms to be both strategically and behaviourally ready to adopt, acquire and create new capabilities and resources to be able to respond to early warning signals of change in their internal and external environments. The strategic mind-set of the OM will thus influence the adaptive capability process within the micro-firm.

2.2. Resource reconfiguration through adaptive capability development

The purpose of this research is to equip OMs with an adaptive capability framework forged through interaction with higher level capabilities and conducive to attracting senior tourists. Although higher level capabilities have an unenviable potency, they also possess an ephemerality which is challenging for micro-firms to engage with and capitalise upon. These challenges are evident in the assertion of Sundbo, Orfila-Sintes, and Sørensen (2007), who state that only firms of sufficient size can endeavour to process external information and knowledge and that innovative practices are beyond the capacity of micro-firms. While Reinhardt et al. (2018) suggest that small firms can develop low-end innovation capability through adaptive practice it remains a challenge for micro-tourism operators to engage with external knowledge resources in pursuit of higher end innovation capability (Kelliher et al., 2018). Claver-Cortés, Molina-Azorín, and Pereira-Moliner (2007: p. 729) argue that tourism firms are 'evolving in an attempt to capture new segments and thus attract new types of tourists', thereby creating a catalyst for OM adaptive capability development. The output of this development process is a new combination of resources, some of which are beyond the boundaries of the organisation, which OMs endeavour to strategically align towards the idiosyncratic demands of the market, the subtle eccentricities of the business and the particular nuances of the flourishing senior tourism sector.

2.3. Research context

This study takes place in the south east (SE) region of Ireland, where the majority of tourism providers are micro-firms. A re-imagining of Ireland's tourism product prompts embedded firms to foster 'the right mix of skills' (Department of Transport Tourism and Sport, 2015, p. 6) to help modernise their tourism offering, elevating the suitability of this context in light of the research question. Though implicitly acknowledging the role of the older tourist, there is scarcity of intent to target this marketing segment explicitly. This is perhaps understandable given that Chen and Shoemaker (2014) caution against overtly labelling this age group as elderly, acknowledging that there exists a subjective chasm between an individual's age in terms of cognitive perception (how old someone feels) and actual chronological reality (how old someone is). However, enabling local micro-firms to broaden their customer base through the inclusion of a focused senior tourism offering would facilitate increased footfall, thus the delicate nuances of a targeted senior tourism campaign should not negate its pursuit. Specifically, with the right skills, tourism micro-firms can create a unique competitive product offering by adapting or tailoring their resource base to cater for this cohort.

3. Method

This research adopts a subjectivist inductive approach, with the unit of analysis focused upon OM interaction with higher order capabilities to facilitate senior tourism engagement. The research question asks, 'How can the adaptive capability of micro-firm owner-managers maximise the niche potential of senior tourism?', while the research objectives seek to: (RO1) identify and probe the adaptive capabilities affiliate

to senior tourist engagement; (RO2) surface the enablers and barriers of OM adaptive capabilities to operationalise a senior tourism focus, and (RO3) gauge how tourism OMs can orientate towards and respond to senior tourism market opportunities.

3.1. Data collection approach

Purposive and snowball sampling selection techniques (Cooper & Schindler, 2001) were utilised to identify tourism micro-firm OMs with evidence of interaction with senior tourists. There was difficulty securing appointments with OMs during peak season, exemplifying the resource pressures faced by micro-firm OMs, thus the majority of the interviews were granted during the off-peak period in the 2017–18 tourist season. Following an initial project overview, participants were provided with a consent form and afforded a cooling off period before agreeing to participate in the project. Subsequently, participants were asked to sign this form before proceeding with the study. A qualitative interview method optimised the exploration of adaptive capability development as a ‘complex and subtle phenomenon’ (Denscombe, 2010, p. 173), whereby the interviewer sought to gain insights into the emotions, experiences and opinions of the OMs interviewed. Cognisance was given to the highlighted difficulty of classifying practices as higher level capabilities within qualitative research (Lawson & Samson, 2001) and the questions were carefully phrased to facilitate a tangible response to this intangible concept (Grant & Verona, 2015). The order of the questions was arranged to lead with background queries about the OM and the nature of their business, while subsequent questions were themed towards the senior tourism offering, adaptive capabilities, organisational processes and the OM lens. Despite having an interview guide, deviation from the prescribed topic was encouraged in practice in an effort to seek rich and detailed answers. This approach proved a useful means to accumulate data that is dependable, credible and pertinent to the research question and objectives (Saunders, Lewis, & Thornhill, 1997). 1540 min of data was ultimately gathered from 24 face to face interviews with micro-tourism OMs (MF01–MF24) based in the south east of Ireland.

3.2. Data analysis

With prior consent, the audio content from all 24 interviews was digitally recorded, and subsequently transcribed verbatim into a word processing package. Transcripts, researcher observations and reflections were then imported into NVivo 11¹ and coded using thematic analysis. The function of higher order capabilities within the observed firms and the role of adaptive capabilities geared towards a senior tourism focus were then extracted to help surface the dynamism inherent within OM capability sets. The means by which OMs adapt current resources to match market conditions and firm strategy is highlighted as is the evolution of senior tourism alignment activities. Data records were stored in an ethical and transparent manner and we were also mindful to respect participants’ requests for confidentiality and non-disclosure of certain aspects of the interview transcripts.

Looking back over the research project, it is worth noting that in qualitative research, the researcher is a fundamental part of the research instrument and as an interviewer becomes an integral part of the data collection process (Denscombe, 2010). Thus, with all other factors being equal, could a different researcher generate the same results? Distillation of the data enabled the preservation of our thought process and could serve as a logistical signpost for future researchers to reverse engineer the major decisions undertaken at critical junctures within the project (Gibbs, 2002). Pursuit of trustworthy data was sought through careful interpretation of the empirical data to proffer credible interpretations to the wider community (Lincoln & Guba, 1985). We

acknowledge that the findings will be applicable to a small number of distinctive environments and individuals, though there will be some degree of transferability between similar sized firms within the tourism sector.

4. Findings

This research study is viewed through the decision making lens of the micro-firm OM and how they adapt to external market signals by reconfiguring the finite resources at their disposal. Key findings are exhibited in Table 1.

4.1. Market sensing and alignment

While senior tourism is recognised as a ‘huge market’ (MF16), where ‘the grey pound ... is an under developed market, definitely’ (MF07), interviewees acknowledge that segmentation on age grounds is not widespread. Some contend that the market is often overlooked because of perceived biases, ‘They are a market nobody wants, like children’ (MF07), and most stumbled upon the senior market by accident, ‘... it just happened’ (MF23, 08). In other instances, OMs are not averse to admitting to taking advantage of this propensity to spend ‘That’s the day you have your nicest cakes’ (MF11). Those who have honed adaptive market sensing capabilities are conscious that ‘... you have to see it not from our eyes but from a tourist’s eye’ (MF12) to sustain the business. This understanding and respect for the senior tourist transcends the negative connotations that ‘old age’ conjured up, recognising that ‘some of the over 55s are more physically capable than others and some want to get more exercise in’ (MF06) and that ‘it depends from individual to individual. So, some of the older ones tend to have mobility issues for instance, so they can’t do a walking tour’ (MF01).

Table 1
Summary of key findings.

Emergent Theme	Description
Market sensing and senior tourism alignment	<ul style="list-style-type: none"> • Segmentation was low as the senior sector was regarded as a generic market by many OMs • Others were more proactive and deliberately courted this market as a profitable revenue stream, often based on prior experience • Market intelligence focused on existing contacts, failing to reach potential unknown visitors
Tactical utilisation of scarce resources	<ul style="list-style-type: none"> • OMs recognise the difference between resource acquisition and resource utilisation • Ability to alter processes and routines was seen as a requisite skill, frequently modulated by micro-firm resource constraints • Existing resources and routines altered incrementally in pursuit of new products/services to help gauge business consequences
Embracing higher level capabilities	<ul style="list-style-type: none"> • OMs engage in different levels of capability deployment depending on the prevailing market conditions • External forces the normal catalyst for change, resulting in a reactive strategy, a minority of changes were internally driven • Transition from ordinary to higher level capabilities a conscious decision of each OM – those with higher adaptive capabilities show deliberate intent to harness the potential of the senior market
Strategic adaptive capability development	<ul style="list-style-type: none"> • OMs recognise the need to balance internal resources and capabilities with the opportunities in the senior tourism market • Strategic intent is curtailed by resource constraints, with all strategies incremental in nature • Tailored experiential engagement supersedes generic operational efficiency as a unique adaptive competitive differentiator

Source: Authors own.

¹ NVivo 11 is a qualitative data management software tool.

There is a deliberate intent to harness the potential of the senior market among a number of the OMs, often as a result of past experience, *'No, it was well thought out, a policy ... with 28 years of experience, I kind of see what's coming around the corner'* (MF03); *'I worked in the hotel business for 20 years, we did over 55 packages. I knew how to approach the over 55 market, no, it was very definite. Deliberate.'* (MF10). These owners are more proactive and consciously court this market to take advantage of a profitable revenue stream, as the senior cohort *'are more flexible, more cash in the hand, pockets, more time'* (MF09) and *'often stay probably a couple of days, because they would like a base'* (MF22). In these cases, OMs appear to take a more structured and systematic approach to identifying new avenues for the business, *'First of all we would come up with ideas, have a brainstorming session and ... see what is doable, what isn't doable'* (MF02); *'In that way you are planning and thinking but at the same time you are walking along, going in here for a bite to eat and thinking, you know what might work here?'* (MF07). Not all sensed senior opportunities were fruitful however, as MF11 explained when attempting to offer afternoon tea to target the senior market, *'we spent so much time on this and we made an unholy mess of it ... the tea was perfect ... The gardens were perfect. We killed ourselves on access.'*

4.2. Tactical utilisation of scarce resources

OMs recognise the difference between resource acquisition and resource utilisation, being aware of the need to alter direction in tandem with the demands of the market, *'It is different in terms of I don't need a whole lot of physical resources ... It is how you use the resources that you have'* (MF06). Development is therefore seen as incremental in this environment; for example, MF15 is not averse to changing kitchen staff to ensure that the senior market is sufficiently catered for: *'Sometimes you have to change a chef ... You might need a different type of chef to cook for over 55s'* while MF06 recognises that broadening employee roles results in a better experience for the customers and also helps the employee maintain enthusiasm for the work: *'I deliberately decided to spread the bases. So that if you [employee] were doing [activity] this week ... it might be ... 8 weeks until you see [activity] again'*. Having the ability to alter routines based upon customer feedback is also seen as a requisite skill, *'One comment to you can change the direction of a whole business'* (MF11), *'It's verbal feedback at the end of the day and also trip advisor and Facebook reviews'* (MF21). Even when open to development, innovative processes and routines are frequently modulated by resource constraints, particularly in high season, *'In the summer it is tough going, because you are very busy and you will be going every day'* (M20). While an argument could be made for additional staff, it is often not viable to hire in and train extra employees because the peak season is not of sufficient duration, *'Generally it is fairly short time that you are very busy'* (MF08).

4.3. Embracing higher level capabilities

In an evolving senior tourism landscape, external forces often drive the impetus for change, *'We're diversifying because of Brexit and other things at the moment'* (MF03), resulting in a reactive strategy among most respondents, *'Oh, an empty premises kick starts that'* (MF15). In certain cases, market volatility on a national and international level acts as a catalyst, *'In September 2008 we lost our corporate market overnight and ... we are not up to the levels we were in 2007'* (MF02), while ongoing currency fluctuations continue to affect business during the current economic upturn, *'Sterling fell like a stone this last 12 months, since the Brexit vote'* (MF02). OMs cited senior market potential as a means of alleviating environmental effects, as these tourists have extra time and appear more willing to stay rather than transit. In other cases, change is internally motivated *'... the marketplace changes and you can see it coming and you can negate to a degree and upskill or whatever, to meet the challenge'* (MF07). These proactive owners seek *'to ... improve the service. You definitely don't want to go backwards'* (MF22), or to address a shortfall, *'You look at the figures ... and say ... it was a bit quiet, we need to do*

something there' (MF16).

Micro-firms appear to engage in different levels of capability deployment depending on the prevailing market conditions and the nature of the task at hand. These capabilities are observed at operational level (day to day running of the business) such as introducing *'a calendar system for groups coming in to make sure that they don't clash'* (MF16) and at higher level (entering a state of adaptive capability development) such as regularly creating new products and services in order to *'offer something different'* (MF02, MF12). The transition between these levels is a conscious decision of each micro-firm OM (with examples offered from MF01, 08, 13, 15, 17, 19, 20), where the peak tourism period equated to greater involvement in the daily running of the business and the off-peak period became, for many, a time for planning, creativity and networking; *'The minute the season is finished, there are plenty of months in between, that is when you do all your planning'* (MF12); *'I get a chance to do my own ideas, create different things'* (MF09).

4.4. Strategic adaptive capability development

Developing adaptive capabilities is seen as a requisite for firm survival but OMs are cognisant of maintaining a strategic fit between firm resources, senior market opportunities and the desired future state of operation, *'Just the vision to think outside the box and to come up with stuff that isn't there'* (MF04). A number sought to develop *'... a tourist attraction with a heartbeat'* (MF12) to meet changing preferences, requiring new capabilities on the part of the OM. Others such as MF02, 03, 07, 13, 17 reflected on the current business model and how they could adapt their resources to encompass new offerings; *'We looked at it as a market segment. We then thought what can we offer that actually fits in with that market?'* (MF02), *'No, it was well thought out, a policy ... Again you know, with 28 years of experience, I kind of see what's coming around the corner, I don't have to wait until it hits me'* (MF03). Not all followed a formal planning route however, as articulated by MF07, *'This idea of we sat down, we planned it out, a five year plan, all nonsense'*.

5. Discussion

This research studied senior tourism adaptive capabilities. The resultant framework strives to provide tourism micro-firm OMs exercising prudent managerial judgement, with a logical iterative sequence towards adapting to the senior tourism market (Fig. 1).

Positioning the micro-firm OM at the beginning of the framework (left, Fig. 1) accentuates their importance within the realm of hierarchical capability development. The OM engages with operational capabilities as a means of perpetuating the existence of the business. Routine operations enable the business to trade on a regular basis and OMs have the option to either maintain the business wholly at this level, or to optimise existing routines and resource bundles, through higher level capability deployment. Firms within this operational level domain may remain there, perhaps due to a deficient skill-set or where core capabilities have become core rigidities, thereby negating change aspirations. In such instances, any market sensing that is undertaken, fails to translate into a desire to embrace nascent trends.

Adaptive capability development is a deliberate foray into transitioning beyond operational level capabilities (Eshima & Anderson, 2016; Helfat & Winter 2011; Reinhardt et al., 2018), whereby the OM proactively seeks to make adjustments to the business and its strategic focus. The OM is receptive to environmental signals and instigates the deployment of creative intent through a 'seizing' routine (Kelliher et al., 2018; Teece et al., 1997), thereby integrating the information harvested from the marketplace with the current activities of the business. The necessary adaptive skills are audited and nurtured if they are found to be in abeyance. New resource combinations are formed through the transformational routines of reconfiguring and leveraging (Teece, 2012; Battisti et al., 2019). Innovative outcomes are generated through the interaction of market information upon firm resources, and processes or

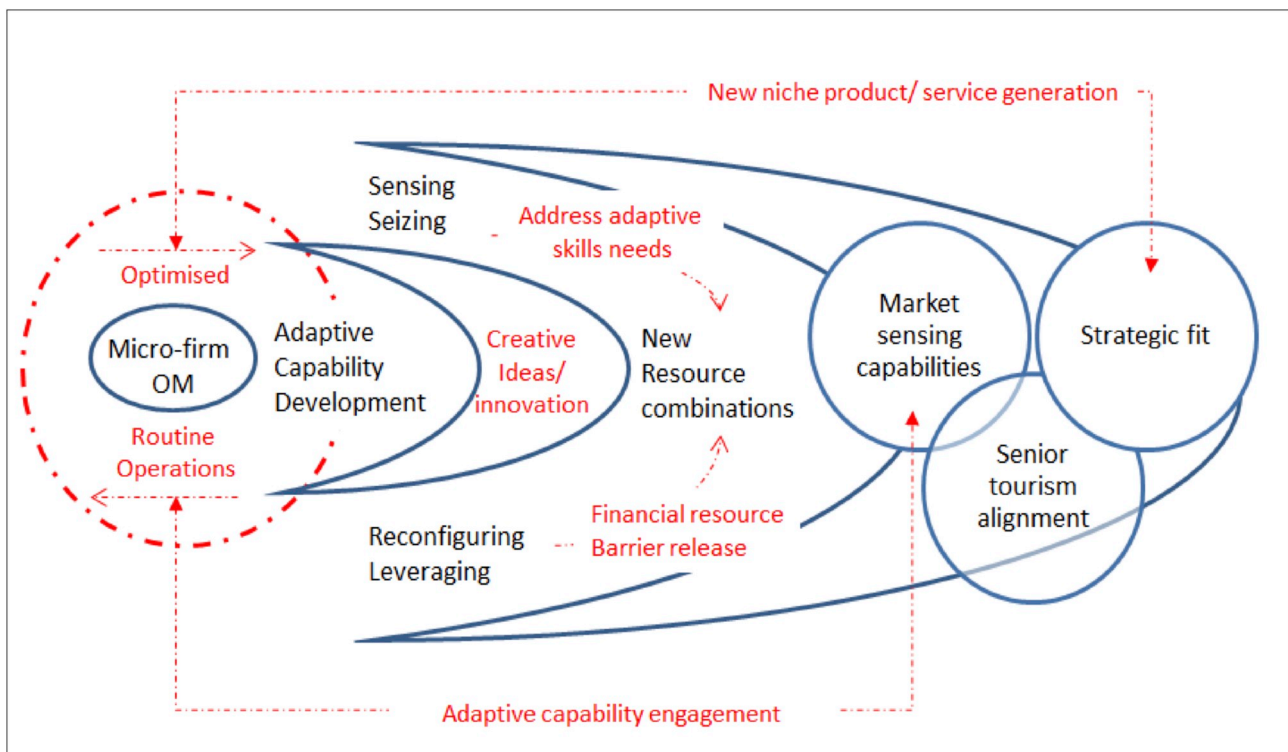


Fig. 1. Senior Tourism Adaptive Capability Framework. Source: Authors own.

systems are replicated or enhanced (Helfat & Winter 2011). Financial and other barriers to resource reconfiguration are overcome and existing lower level capabilities are acted upon and altered by adaptive capabilities.

Adaptive capabilities transport a firm from its current state of operation to a desired future state (Helfat & Winter 2011; Teece et al., 1997), which in the case of this study, is servicing the senior tourism market. The deliberate intent to generate new niche products or services is contingent upon an alignment with the strategic ethos of the firm. Strategic fit is developed by identifying new business prospects and adapting resources and competencies to capitalise upon this niche market (Wang & Ahmed, 2007). OMs may reject developing an identified business opportunity due to perceived or actual resource barriers or due to a mismatch with the current strategic direction of the firm. The senior tourism offering is thus an amalgamation of new resource combinations, transformed by action specific routines that are initiated by the OMs proficiency in altering their understanding of market expectations.

The framework resonates with the broader environment and may be conceptualised as being an organic or open system, impacted upon by both internal and external phenomena. The development of higher level adaptive capabilities is deliberately governed, and is within the managerial remit of the OM (Reinhardt et al., 2018), who has the onerous task of maintaining the flexibility of the business to adapt to new market trends, whilst simultaneously marshalling extant resources to provide a coherent senior tourism offering. The framework transitions from the proactive micro-firm OM, who is characterised as the resource gate-keeper, through adaptive capability development and into new resource combinations, culminating with the resultant senior tourism service/-product alignment. It portrays the influence of sensing and seizing routines on identifying market trends and opportunities, while also giving recognition to the importance of reconfiguring and leveraging resources through strategic fit. The resultant new resource combinations are subsequently aligned towards the senior tourism market.

6. Conclusion

This paper explored the role of adaptive capability development among micro-tourism OMs in pursuit of the niche potential of the evolving senior tourism market. Findings associate adaptive capability development with proactive OM activity and those OMs who deliberately courted this market gained a profitable revenue stream for their business. Effective operational level capabilities are a precursor to this deliberate adaptive capability development, although this transition is not a foregone conclusion. Evidence highlights the need to balance internal and internal resources and capabilities with the opportunities in the senior tourism market, a skill that takes time to develop through intentional adaption.

Academically, this research displaces the ephemerality of the dynamic capabilities 'black box' (Wang & Ahmed, 2007; Ambrosini, Bowman, & Collier, 2009; Pavlou & El Sawy, 2011), with a tangible framework (Fig. 1) that facilitates the identification and development of higher level capabilities. In doing so, it advances the understanding of adaptive capabilities within both the under studied senior tourism sector and also within tourism micro-firms. The observed adaptive behaviour is particularly important within firms of a smaller size (Eshima & Anderson, 2016; Reinhardt et al., 2018; Schindehutte & Morris, 2001) due to the inevitable scarcity of firm resources (Battistia et al., 2019; Kelliher & Reinel, 2009). An additional and associated contribution of this study, is that adaptive capabilities were demonstrated to be a conscious, deliberate reworking of the existing resource base and were not developed accidentally or without prior deliberation. This finding reaffirms the work of existing literature (Ambrosini et al., 2009; Eshima & Anderson, 2016; Helfat et al., 2007; Kelliher et al., 2018) on higher level capability development, but it goes further by viewing the engagement process through an OM decision making lens. In doing so, the research highlights the environmental impetus and operational impediments which impact upon the propensity of each OM to develop adaptive capabilities.

From a practitioner perspective, the study has implications for managers in that commercial success is achieved through the allocation, deployment and recombining of critical resources. It provides OMs with

a useful lens through which to examine their individual practices in terms of capitalising upon the potential of the growing senior market. The iterative framework allows OMs to segment the processes of sensing, seizing, reconfiguring and leveraging in a more intuitive and measured way and deconstructs the mystique surrounding higher level capability development. In doing so, it addresses the distinct lack of attention given to the origins and development of higher level capabilities (Peteraf et al., 2013) and how managers may consciously develop these capabilities.

A further contribution within the practitioner landscape is the recognition that proactive OMs demonstrated an innate ability to transcend generic tourism offerings by astutely sensing nascent market opportunities and customising their product/service to capitalise upon evolving trends. In contrast, reactive OMs struggled to remain relevant in a fluid trading environment and neglected to maximise the niche potential of the senior tourism market. This study invokes a greater awareness of adaptive capability deficiencies within certain cohorts of the tourism sector and the necessity to overcome this deficiency through greater OM professional development. Avenues for future research include the potential to develop and test a micro-firm capability deficiency audit.

Targeted support interventions by municipal and state agencies could include the aforementioned skills deficiency audit as a first step in enabling reactive OMs to embrace the senior tourism environment more diligently within their own organisation. Network capability development activities among local tourism operators could help solidify the adaptive capability development activities within the OM's wider business community. This enterprise level coaching warrants further study to determine the line of best fit between OMs of varying degrees of strategic ability and adaptive engagement, whereby both traits were highlighted within the findings to be antecedents of higher level capability development.

Paper contributions

Noel Kelly lead the research study, collated the data and made extensive contributions to this paper in terms of research design, data collection and analysis, and model development. Proportionate contribution 50%

Felicity Kelliher made significant contributions to this paper in terms of research concept, design, data collection and analysis and model development. Proportionate contribution 20%.

Jamie Power's contribution was directed at co-planning and supervising the overall direction of the research paper's design and analysis, in addition to the development and refinement of the manuscript. Proportionate contribution 20%.

Patrick Lynch contributed to the overall paper design and data analysis. Proportionate contribution 10%.

All four authors made contributions to the research design, data analysis and construction of the paper.

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Appendix A. Supplementary data

Supplementary data to this article can be found online at <https://doi.org/10.1016/j.tourman.2020.104081>.

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