Uneven entrepreneurial responses to demands for tourism-related services adjacent to three national parks in southern Finland

Ashley Selby and Leena Petäjistö
Working Papers of the Finnish Forest Research Institute publishes preliminary research results and conference proceedings.

The papers published in the series are not peer-reviewed.

The papers are published in pdf format on the Internet.

http://www.metla.fi/julkaisut/workingpapers/
ISSN 1795-150X

Office
Post Box 18
FI-01301 Vantaa, Finland
tel. +358 10 2111
fax +358 10 211 2101
e-mail julkaisutoimitus@metla.fi

Publisher
Finnish Forest Research Institute
Post Box 18
FI-01301 Vantaa, Finland
tel. +358 10 2111
fax +358 10 211 2101
e-mail info@metla.fi
http://www.metla.fi/
<table>
<thead>
<tr>
<th>Authors</th>
<th>Selby, Ashley &amp; Petäjistö, Leena</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Uneven entrepreneurial responses to demands for tourism-related services adjacent to three national parks in southern Finland</td>
</tr>
<tr>
<td>Year</td>
<td>2009</td>
</tr>
<tr>
<td>Pages</td>
<td>22</td>
</tr>
<tr>
<td>ISBN</td>
<td>978-951-40-2175-6 (PDF)</td>
</tr>
<tr>
<td>ISSN</td>
<td>1795-150X</td>
</tr>
<tr>
<td>Unit / Research programme / Projects</td>
<td>Vantaa Research Unit / 3420 Suojelualueet ja maaseudun elinvoimaisuus 2005–2009</td>
</tr>
<tr>
<td>Accepted by</td>
<td>Riitta Hänninen, leader of the TUK-research programme, 11.5.2009</td>
</tr>
<tr>
<td>Abstract</td>
<td>Three different-aged national parks in southern Finland are employed to examine the relationship between responses of entrepreneurs to tourism-related demands for services. The entrepreneurial response to demand was found to be greatest adjacent to the oldest park (Linnansaari) where entrepreneurs have had longest to adjust to demand. The weakest response was found adjacent the youngest national park (Repovesi) where, despite having by far the greatest number of visitors per year, the entrepreneurial adjustment has been weak. The response of entrepreneurs adjacent to Seitseminen National Park fell in between the two. Entrepreneurial attitudes towards business and new ventures were strongest in Linnansaari and weakest in Repovesi, where the majority of entrepreneurs were found to be satisficers, with entrepreneurs in Seitseminen again falling in between.</td>
</tr>
<tr>
<td>Keywords</td>
<td>national parks, Linnansaari, Seitseminen, Repovesi, rural development, tourism services, entrepreneurial opportunity, new ventures, structuration theory</td>
</tr>
<tr>
<td>Available at</td>
<td><a href="http://www.metla.fi/julkaisut/workingpapers/2009/mwp127.htm">http://www.metla.fi/julkaisut/workingpapers/2009/mwp127.htm</a></td>
</tr>
<tr>
<td>Replaces</td>
<td></td>
</tr>
<tr>
<td>Is replaced by</td>
<td></td>
</tr>
<tr>
<td>Contact information</td>
<td>Ashley Selby, Vantaa Research Unit, Post Box 18, 01301 Vantaa. E-mail <a href="mailto:ashley.selby@metla.fi">ashley.selby@metla.fi</a></td>
</tr>
<tr>
<td>Other information</td>
<td></td>
</tr>
</tbody>
</table>
# Contents

**Foreword** ........................................................................................................................5

1 **Background & aim** ....................................................................................................6

2 **Frame of reference** ................................................................................................7
   2.1 Opportunity recognition ....................................................................................... 7
   2.2 Time and local development ............................................................................... 9

3 **Material and method** ............................................................................................10
   3.1 Enterprise data ......................................................................................................10
   3.2 Visitor data ............................................................................................................11
   3.3 Methods ................................................................................................................11

4 **National park and visitor characteristics** ..........................................................11

5 **Entrepreneurial response to demand – attitudes to new ventures** ...............12
   5.1 Evidence of demand ............................................................................................12
   5.2 Service enterprises ...............................................................................................14

6 **Conclusions** ..........................................................................................................18

References ...................................................................................................................20
Foreword

The study is part of the research project 3240 “Nature protection areas and rural vitality” being carried out at the Finnish Forest Research Institute (Metla) within the research programme Safeguarding forest biodiversity – policy instruments and socio-economic impacts (TUK). The project examines the local effects of three national parks in southern Finland, Linnansaari, Seitseminen and Repovesi. The aim of the project as a whole is to examine the relationship between the demand for recreation- and tourism-related services by visitors to the national parks, the response of entrepreneurs to those demands, the attitude of local residents to their adjacent national parks, and how local key decision-makers regard their local park as a (potential) source of economic development. Other studies from this project have been published in this series as numbers 61/2007, 72/2008, 84/2008, 90/2008, 96/2008 and 106/2009.

This present paper continues the series of analyses by examining the relationship between the observed attitudes to new ventures amongst entrepreneurs adjacent to the three national parks and the future demands of visitors for recreational and tourism-related services.

The study is a contribution to on-going debate concerning the protection of nature while sustainability using such areas as a basis for rural livelihoods. Knowledge of how visitors’ demands and entrepreneurs perceived opportunities for business differ between national parks will assist national park administrators, local authorities and other development-oriented agencies to understand the effects of national parks on entrepreneurship in a local development context. In this study, as in others in this series, time is shown to be an important factor in opportunity recognition.

The visitor-related data was collected by a team led by Mrs. Tuija Sievänen in co-operation with Metsähallitus. We extend acknowledgements to Mrs. Sievänen for her permission to use the data required in section 5.1.

Permission for publication was given by Dr. Riitta Hänninen, leader of the TUK-research programme. Layout was by Maija Heino.

Helsinki, 13.05.2009

Ashley Selby
Project coordinator
1 Background & aim

National parks have long been regarded as a potential stimulus for rural economic activities. Both domestic and international literature on tourism has shown that land areas set-aside for nature protection and national parks have often become tourist attractions. The money flows created by tourism supplement local economies may also compensate for any losses of local incomes that may have resulted from the establishment of the nature protection area (e.g. Bergstrom et al. 1990, Cordell et al. 1992, Slee 1993, Berghäll 2006, Huhtala 2006, Huhtala et al. 2009).

In Finland, the wilderness national parks in Lapland are an example of such a development (Saarinen 2001, 2003, Saarinen and Järiviluoma 2002, Kauppila 1999a and b, Huhtala 2006). However, the national parks in Lapland differ considerably in both their size and physical nature, as well as in the scale of their tourist- infrastructure developments and quantity of visitors, compared to most of the small protection areas and national parks located in Southern Finland (Selby et al. 2007). Further, given the small size and lower visitor numbers of the national parks in Southern Finland, there is no guarantee that the development of the tourist industry that has been experienced in Lapland will be repeated elsewhere.

In recent studies of visitors to three national parks, Linnansaari, Seitseminen and Repovesi, all in southern Finland, high level of visitor satisfaction were associated with factors such as expectations, environment, lack of disturbances, etc. Tourism services obtained the weakest satisfaction index in each case. Linnansaari obtained a higher index than Seitseminen or Repovesi, the latter receiving the lowest index (Pulkkinen and Valta 2008, Tunturi 2008a, Hemmilä 2008). In Repovesi, over one in four (28%) of the visitors were dissatisfied with the enterprise-related services compared with five percent of visitors to Seitseminen and c. 11% of visitors to Linnansaari. The difference in satisfaction with enterprise-based services between the parks is statistically significant at P > 0.001 (Pearson χ²-test). As services are provided by local enterprise, it seems that local tourism-based enterprises fail to perceive all the potential for enterprise that visitor-flows to these national parks are providing. However, nearly three-quarters (73%) of visitors to Linnansaari, 49% to Seitseminen and 65% to Repovesi reported that they did not use any local services, a fact that raises interesting questions concerning the supply of and demand for such services.

Tourism-based development is dependent not only upon visitor flows, but also on the relationship between visitors’ demands for services and the provision of those services by local enterprises. There is evidence that the provision of services is related to the number of visitors that national parks attract (e.g. Puustinen et al. 2009). There is also evidence to suggest that the age of a national park affects the degree to which it is accommodated within the district in which it is located, which in turn affects the ways entrepreneurs, local residents and decision makers have perceived the opportunities for business that have been created by the national park (e.g. Selby and Petäjistö 2008a and b, Suomi et al. 2008, Petäjistö and Selby 2008 and 2009). Kauppila (2004) has also observed a similar process. Pulkkinen and Valta (2008), Tunturi (2008a) and Hemmilä (2008) report that median visitor spending in 2006 was 112 €/visit in the Linnansaari district, 70 €/visit in Seitseminen district and 25 €/visit in the Repovesi district. Huhtala et al. (2009), employing different analytical techniques, found a similar visitor spending patterns (81 € per person per visit in the Linnansaari district, 29 € per person per visit in the Seitseminen district and 21 € per person per visit in the Repovesi district). Such differences must be dependent upon the ability of local enterprise to provide the services for which visitors are willing to pay.
The paper examines local entrepeneurs’ responses to the demand for recreational- and tourism-related services in Linnansaari, Seitseminen and Repovesi National Parks in southern Finland and assesses the enterprise potential created by this demand.

The paper throws some light on how rural enterprises need to develop in order to benefit from areas set-aside for nature conservation. The results are intended to be of assistance to national park planners, local decision-makers and entrepreneur advisory agencies.

The paper proceeds as follows: first, a simple frame of reference addresses the question of enterprise opportunity recognition and outlines its relevance to the question posed. After a brief description of the material and analytical methods employed, a brief overview is given of the national parks and their visitors based on Pulkkinen and Valta (2008), Tunturi (2008a) and Hemmilä (2008). Chapter five then examines the different patterns of demands by visitors to the national parks and presents an analysis of entrepreneurs’ attitudes- and approaches to new. The final chapter draws conclusions and addresses new venture potential and the degree of entrepreneurship as it related to the time-related process of structuration.

2 Frame of reference

2.1 Opportunity recognition

Given the nature of the problem, i.e. the satisfactory provision of tourism services by local enterprises, the study is grounded on an understanding of entrepreneurial opportunity recognition rather than on aspects of visitor satisfaction. Opportunity is a construct that results from factors that are both within the control of the entrepreneur (background, experience) and outside the control of the entrepreneur (contextual and environmental factors). Opportunity recognition can be seen to be a particularly relevant characteristic in a VSE or SME where a change in the local socio-economic environment has occurred. In such circumstances, time-sedimented social and economic institutions related to the long-term historical structure of a locality are disturbed. The termination of previous economic activities, such a might occur with the establishment of a national park on land that was previous used for agriculture or forestry, releases (human) resources for new activities (see e.g. Schumpeter 1934, Pred 1984). This process can be understood with reference to the theory of structuration (e.g. Giddens 1979, Pred 1984) and its derivative, the theory of place as historically contingent process (Pred 1984). Time is a key player in this process, as it takes time for local institutional values to adapt to changed circumstances and for new representations and discourses to develop. Evidence of this process was found with respect to residents’ attitudes towards their local national parks (Selby and Petäjistö 2008a, Kauppila 2004). Thus, it can be expected that it will take time for entrepreneurs to adjust to changed circumstances and to begin to perceive business opportunities in the services demanded by visitors.

Opportunity is generated by several processes (Drucker 1985, Stevenson and Gumpert 1985, Vesper 1993) including changing technology, changes in consumer economics, changes in social values, political actions and changes in regulatory standards, changing environmental factors such as demographics, new resource discoveries, land use change, etc. In the case of the present study, national parks have results in a de facto change in land use in that commercial exploitation of the set-aside land is prohibited and even hunting and fishing may be restricted by nature protection regulations. Meanwhile, societal changes have created a more mobile and recreation-oriented
population that values outdoor recreation in wilderness settings (Saarinen 2002, Sievänen et al. 2008).

Entrepreneurial opportunity is, therefore, a “favourable chance” (Christensen et al. 1994; 62) and without opportunity recognition entrepreneurship cannot take place (Singh 2000, Christiansen et al. 1989, 1994). However, unrecognised opportunities are ever-present, but it takes an individual in the right environment to develop a new venture idea than may result in a genuine entrepreneurial opportunity (Singh 2000; 24). Indeed, the same (local) business environment may be perceived in a number of ways by entrepreneurs even in the same industry. This perceptive ability will depend upon the entrepreneurs’ accumulated quantity and quality of information regarding their business environment, while their ability to use that information will vary according to their aspirations, business acumen and other personal factors (e.g. Simon 1957, McGuire 1964, Pred 1967, Leff et al. 1974, Earl 1983, Selby 1987, 1989). Based on the same national parks as in the present study, Selby and Petäjistö (2008b) found considerable variations in the business attitudes and acumen of tourism-based entrepreneurs. Most enterprises were very small and often seasonal. Attitudes to business were mainly satisficing. Satisficing entrepreneurs seek to maintain a level of that business satisfies their own modest aspirations, rather than seeking a proactive relationship with their business environment (Alchian 1950, Simon 1959, Pred 1967, Earl 1983, Selby 1989, Gibb 1997, Jennings and Beaver 1997, Julien et al. 1997, McEvily and Zaheer 1999, Selby and Petäjistö 2008b).

Entrepreneurial opportunity can therefore be summarised as follows: it is derived from factors: 1) a change in the business environment; 2) the personal knowledge, abilities and background of the entrepreneur; 3) the new venture idea itself; and 4) the business environment (e.g. changes in regulatory issues, economic conditions, societal factors, etc.) (Singh 2000, Timmons 1990 and 1994). Only when these factors come together will circumstances exist for entrepreneurial opportunity to be recognised. Ideas for new ventures are influenced by both the entrepreneur and the business environment in a reciprocal relationship, which in turn affects the entrepreneurs’ abilities to perceive opportunities for business. Figure 1 summarises the above discussion in relation to the potential effect of a national park on local enterprise.

![Figure 1. The process of national park generated entrepreneurial opportunity (modified from Singh 2000).](image-url)
Visitor flows to national parks seem to be affected by the services on offer (Puustinen et al. 2009), but in the present study, the greatest visitor numbers are associated with Repovesi National Park, where services are least developed and cause greatest dissatisfaction, which suggests that local enterprise has yet to fully grasp the opportunities for business that should be a key signal for new venture ideas.

2.2 Time and local development

The theory of structuration (e.g. Berger and Luckmann 1967, Giddens 1979, Thrift 1979, 1983) focuses on social practices that are ordered across space and time and expresses the mutual dependence of structure and agency (Giddens 1979; 69). Agency, here, means a continuous flow of conduct and discourse. Agency therefore determines that time plays a central role in the structuration process (e.g. Hägerstrand 1967). Agency is located in time, and concerns the temporality of day-to-day conduct (Giddens 1979; 55). Action, on the other hand, can be conscious or unconscious. With conscious action, it is always necessary to consider the unintended consequences of intentional actions, especially where the reproduction of institutions is in question (Giddens 1979; 59). For example, an intentional lack of community support for rural tourism enterprise development in favour of other sectors of the economy may lead to the loss of local income because entrepreneurs fail to take advantage of business opportunities (e.g. Selby and Petäjistö 2008b, Petäjistö and Selby 2009).

The place-specificity of structuration makes the theory particularly interesting in the context of the present investigation because of its ability to identify place-specific social adjustment processes. Pred (1984) has paid particular attention to this aspect of structuration via a theory of place as historically contingent process. The basic premises for the theory are derived from structuration theory, i.e. for any given area, social reproduction is considered to be an ongoing social process. This leads to the perpetuation or modification of (local) institutions (e.g. economic activities) by their continual intersection with the life-paths of individuals in that locality. Given that for any locality certain institutional projects (activities) are dominant in terms of the impact they have on the daily- and life-paths of a locality’s resident population (Pred 1984;282), these impacts will affect the details of individual consciousness and socialisation, e.g. via the process of discourse (e.g. Ley 1977 and 1978, Moscowici 1981 and 1984, Halfacree 1993, Jones 1995, Elands 2000, Selby et al. 2007).

Dominant institutional projects (activities) are related to the local structure of people’s livelihoods and the daily life-paths of individuals by means of the time-allocation given to each project and by scheduling precedence over other (competing) institutional projects. Dominant projects also require a commitment to partake (e.g. labour- and time-intensive dairy farming, forest work, employment in local industries, etc.). Thus, the dominant projects (e.g. farming and forestry, industry, etc.) create the most significant individual-path/project interactions and are therefore most important in the place-specific structuration process (Pred 1984; 283). The introduction of a space-demanding and tourist-attracting project such as a national park that has no previous institutional role in the locality is likely to disturb the established individual-path/project interactions by imposing new space, time and scheduling precedence, as well as perhaps terminating some interactions, e.g. where the private land has been compulsory purchased and given protection status thereby terminating an individual’s or a community’s opportunities for economic activity.
Each of society’s component institutions is therefore inseparable from the everyday and longer-term projects of, e.g. production and consumption, for which society is responsible. Place can therefore be conceptualised as the location of an unbroken flow of local events; again with time being an important factor. Thus, the creation of a national park or protection area, as an exogenously imposed institutional project, can be considered to be incontrovertibly part of the becoming-place process.

3 Material and method

3.1 Enterprise data

The material was collected in several phases in co-operation with Metsähallitus (the national park authority) in connection with its survey of tourist services enterprises adjacent to Seitseminen (Tunturi 2008b) and Linnansaari and Repovesi National Parks. The Metsähallitus enterprise survey concentrated on e.g. seasonality, customer quantity and their country of origin, as well as the services provided by the entrepreneur and the business environment. The Finnish Forest Research Institute (Metla) entrepreneurship questionnaire was a supplement to the Metsähallitus surveys. The Metla questionnaire concerned the origins of the business and issues related to entrepreneurship and opportunity recognition.

A separate business impact survey was also made by Metsähallitus concerning service enterprises in a c.30 km radius of Seitseminen National Park. For the business impact survey, all possible sources (internet home-pages of the municipalities in question, enterprise registers, telephone catalogues, etc.) were employed to identify enterprises within a 30 km radius of the parks. The sectors covered were hospitality (accommodation, restaurants, cafés, etc.), leisure services, local transport, retail-trade, and miscellaneous. Businesses were included if they appeared to be relevant (which did not always prove to be the case). The Metsähallitus questionnaire concerned business economics and networking. The same Finnish Forest Research Institute (Metla) entrepreneurship questionnaire as employed in the tourist enterprises survey was a supplement to this survey. Synergy was achieved between the Metla and Metsähallitus during the planning and execution of the business impact survey (Seitseminen). Because a similar synergy could not be established with respect to the Linnansaari enterprise survey conducted by Metsähallitus for the Saimaa district that includes Linnansaari National Park, Metla’s enterprise survey was administered separately, although in cooperation with Metsähallitus. The same approach to locating enterprises was employed as with the Seitseminen business impact survey, except that the Metla questionnaire now included key questions that were previously in the Metsähallitus questionnaire. The Repovesi enterprise survey followed the same pattern but without any cooperation with Metsähallitus.

The Seitseminen entrepreneur surveys were made in late 2006 and early 2007. The Linnansaari enterprise survey of Metsähallitus was made in Spring 2007 and the Metla entrepreneurship survey was made in Autumn 2007. The Repovesi Enterprise survey was made early in 2008.

Return rates for the entrepreneurship surveys were low (25–35%). A discouraging fact of life is the considerable drop in survey return rates over the past 10- to 15 years or so. However, this is not just a problem in Finland, e.g. Singh 2000, in a survey of US enterprises, reports return-rates of around 20%.
3.2 Visitor data

Data was collected by Metsähallitus by on-sight distribution of questionnaires in 2006 (Linnansaari) and 2007 (Seitseminen and Repovesi) (Pulkkinen and Valta 2008, Tunturi 2008a, Hemmilä 2008). A supplementary questionnaire designed by the Finnish Forest Research Institute (Metla) that addressed some rural development aspects of national parks including visitors’ expenditures was administered at the same time (Sievänen et al. 2008). Part of the data from that latter survey is employed with permission in section 5.1.

3.3 Methods

Specific variables were examined by frequency- and cross-tabulation analyses before being entered to principal component analyses. Principal components analysis is a method that permits sets of related variables to be reduced to create fewer, compound variables that represent specific attributes. These attributes are then made accessible for further analysis by computing component scores for each observation that are then added to the original data matrix. The method also has the advantage that the mean of the scores of each component is zero. Further, the components in any given solution are uncorrelated. Cluster analysis was employed to determine further links between the attributes. The method creates groups of observations in such a way that the variance of the variables employed in the clustering is maximized between groups and minimised within groups. In this way, each observation is assigned to a group with a specific characteristic (determined by the weighting of the variables employed in the clustering).

Differences between the national parks with respect to the attributes determined by the principal component analyses were assessed using group means (national park number being the grouping variable) and the F-test. Frequencies distributions between the national parks were examined by cross-tabulation and $\chi^2$-tests.

4 National park and visitor characteristics

Linnansaari National Park was created in 1956 with extensions in 1982. It is a lacustrine archipelago consisting of 130 islands with rocky coasts, and covers an area of 38 km$^2$. It is located in eastern Finland close to the towns of Savonlinna, which has a strong tourist industry, and Varkaus, which is primarily industrial. Linnansaari National Park attracts c. 27,000 to 28,000 visitors a year. Seitseminen National Park (45 km$^2$) is a forest and esker watershed national park that was created in 1982 with extensions in 1989 and 2005. It is located in western Finland close to the spa resort of Ikaalinen and not far from the major city of Tampere. The national park attracted c. 42,000 visitors in 2006. Repovesi National Park (15 km$^2$) was established in 2003, and is characterised by wilderness forest and hilly topography with areas of bare rock, steep cliffs and small lakes. The area was previously owned by the forest industry company UPM. It is located close to the town of Kouvola in southeastern Finland. The national park attracts c. 69,000 visitors a year. All three national parks fall into the “moderate recreational facilities” class (8–11 facilities) (Selby et al. 2007, Puustinen et al. 2009), meaning that the national park authority (Metsähallitus) and local enterprises have created a basic infrastructure for providing recreational and tourism services.
According to the visitor surveys made by the park authority (Pulkkinen and Valta 2008, Tunturi 2008a, Hemmilä 2008), the vast majority of visitors to these national parks are domestic in origin. Only Linnansaari had an appreciable proportion (12%) of foreign visitors in 2006. Each national park received a considerable proportion (10–15%) of its visitors from Helsinki, but naturally the largest proportions of visitors came from local towns and municipalities.

The visitor characteristics varied slightly between the national parks (Pulkkinen and Valta 2008, Tunturi 2008a, Hemmilä 2008). Visitors to Repovesi were slightly younger and Linnansaari slightly older than the average for the three areas (41.8 years). Seitseminen was characterised by a greater proportion of females (52%) compared to Repovesi (44%) and Linnansaari (41%). Visitors to Linnansaari were more highly educated (9% had no vocational education) compared to 15% of visitors to Seitseminen and 13% of visitors to Repovesi.

There were also differences in the size of the visitor groups between the three national parks (Pulkkinen and Valta 2008, Tunturi 2008a, Hemmilä 2008). Single persons made up c. 5% of all visitors in all three areas, groups of two to five persons made up 79% of visitors to Seitseminen, 76% of visitors to Linnansaari, but only 62% of visitors to Repovesi. The latter area was characterised by large groups, with 33% of visitors forming groups larger than six persons, the figures for Linnansaari and Seitseminen being 20% and 15% respectively. Similarly, the nature of the groups varied somewhat between the national parks (Pulkkinen and Valta 2008, Tunturi 2008a, Hemmilä 2008), with family groups being in the majority in Seitseminen and Linnansaari (59% and 51% respectively) but only 41% in Repovesi. Friendship groups were more common in Linnansaari (33%) than in Repovesi and Seitseminen (24% and 21% respectively). Colleagues formed significant group in Repovesi (12% of all visitor groups). Groups organised by tourist programme enterprises were not a significant feature of the visitor groups to any of the national parks in question according to the Metsähallitus surveys.

A major difference between the national parks concerned the means of transport employed. The lacustrine nature of Linnansaari resulted in over 50% of visitors having used some form of water transport to arrive at the park. This option was missing from the other two national parks where private cars (including caravans) dominated the mode of transport (88% for Seitseminen and 89% for Repovesi). The other distinguishing feature was the greater proportion of visitors arriving by chartered bus at Repovesi (5%) compared with 4% for Seitseminen and 2% for Linnansaari (Pulkkinen and Valta 2008, Tunturi 2008a, Hemmilä 2008).

Just over half (57%) of visitors to Linnansaari stayed at accommodation close to the national park, the average duration of stay being 2.9 days. Day-trippers stayed on average for 5.3 hours. The equivalent figures for Seitseminen are respectively 21%, 1.8 days and 3.7 hours, and for Repovesi 51%, 2.6 days and 4.7 hours (Pulkkinen and Valta 2008, Tunturi 2008a, Hemmilä 2008).

5 Entrepreneurial response to demand – attitudes to new ventures

5.1 Evidence of demand

Visitors were asked about their use of 42 specific tourism services at the time of their visit to the national parks and their localities (Sievänen et al. 2008). Figure 2 presents the highest frequencies
for each national park (a 10% frequency cut off being employed to assist legibility). Visitors to the Linnasaari district more frequently used local recreational and tourism services during their visit that was the case in the Seitseminen and Repovesi districts; the exception being extra park trails and access to farm animals, which were more in demand in the land-based national parks.

Visitors were also asked about their interest in using such services in the future should the service be available, using a scale “yes”, “perhaps” and “no”. Figure 3 shows the distribution of the affirmative replies. The figure can be seen as an indicator of service demand. The percentages for potential use are much higher than actual use (Figure 2); although this in undoubtedly partly due
to the conditional nature of the question (the service is not necessarily available now or in the future).

The “should use” frequencies are also generally much more favourable towards Seitseminen and Repovesi districts than was the case with actual use. Thus, the difference between current use and future demand is clear; there would be a demand if the service were to be provided. This suggests that there is considerable potential for enterprise in Seitseminen and Repovesi given the large numbers of visitors in question.

5.2 Service enterprises

As noted in section 3.1, enterprises that might provide services to visitors to national parks and their hinterlands were sought via various media for the purpose of the enterprise survey. These enterprises represented the hospitality segment (hotels, guest houses, camps & other lodging places and retail eating & drinking places), retail grocery and convenience stores and kiosks, transport and recreational services. This exercise also provided an indication of the quantity and type of services that are being supplied. However, it has to be noted at the outset that few of these enterprises were able or willing to report what percentage of their income could be attributed to visitors to the national parks. The distribution of businesses in each district is summarised in Table 1. Variations occur that may be a result of the search method, e.g. transportation, but generally speaking the figures for each sector and each national park district seem in balance with each other. The situation changes considerably, however, when the number of services is adjusted for the number of visitors. The Linnansaari district has created over four enterprises per 1000 visitors, compared to three and a half in the Seitseminen district and only two in the Repovesi district. Thus, it would seem that the opportunities for business that have been created by visitor flows to these national parks have been realised far more thoroughly in the Linnansaari district that in the other two cases. Indeed, if the opportunities for business in Repovesi are similar to those in Linnansaari, and the demand figures in Figure 3 suggest that this may be the case, then there should be well over 200 enterprises serving visitor demands rather than the current 138. The result strongly suggests that enterprises in the Linnasaari district have adapted to demand while

<table>
<thead>
<tr>
<th>Sector</th>
<th>Linnansaari</th>
<th>Seitseminen</th>
<th>Repovesi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>43</td>
<td>25</td>
<td>33</td>
</tr>
<tr>
<td>Restaurants &amp; cafés</td>
<td>29</td>
<td>27</td>
<td>33</td>
</tr>
<tr>
<td>Transport (land and water)</td>
<td>32</td>
<td>10</td>
<td>33</td>
</tr>
<tr>
<td>Tourism &amp; programme services</td>
<td>27</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>Primary production(direct sales)</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Retail</td>
<td>5</td>
<td>23</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>117</td>
<td>139</td>
<td>138</td>
</tr>
<tr>
<td>Number of visitors, 2005</td>
<td>27 000</td>
<td>42 000</td>
<td>69 000</td>
</tr>
<tr>
<td>Number of service enterprises per 1000 visitors</td>
<td>4.33</td>
<td>3.33</td>
<td>2.01</td>
</tr>
</tbody>
</table>
those in Repovesi have yet to do so. Entrepreneurs adjacent to the (middle aged) Seitseminen National Park fall in between the two extremes. Why this may be is examined in the following section.

5.3 Entrepreneurial development

Entrepreneurs’ attitudes to business were assessed by way of seven propositions to which they were asked to agree or disagree on a five-point Likert scale. The responses were entered into principal components analysis to determine the prevalent attitudes. A four component solutions employed 70% of the total variance in the data matrix (Table 2). Computed component scores were saved in the data matrix.

Resources awareness: The component brings together two variables; one concerns the necessity to find (financial) resources for new ventures the other concerns resources via inter-firm cooperation.

Sources of ideas: The two variables forming this component concern signals from the business environment, one source being the immediate business environment the other being via weak ties (Granovetter 1983, Burt 1995), i.e. sources not necessarily directly connected with the enterprise or even sector environment.

Satisficing: the component is characterised by the use of current resources and a resistance to opportunity-seeking, as well as a declaration of ideas being independent of market or other knowledge. Lack of business-related knowledge has been demonstrated elsewhere as a major problem with entrepreneurs that uphold a reactive and satisficing approach to their businesses (refs.)

Demand awareness: The component is characterised by two variables related to information awareness, either via weak ties (see above) or by awareness of the market demand.

Table 2. Principle component model of entrepreneurs’ views towards new ventures.

<table>
<thead>
<tr>
<th>Proposition</th>
<th>Resource awareness</th>
<th>Sources of ideas</th>
<th>Satisficing</th>
<th>Demand awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideas are not a problem, resources are</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New ventures require inter-firm cooperation</td>
<td>0.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New ideas come from changes in the business</td>
<td></td>
<td>0.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weak ties are often a source of new business</td>
<td></td>
<td>0.63</td>
<td>0.42</td>
<td></td>
</tr>
<tr>
<td>ideas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ideas are not dependent knowledge of market or</td>
<td></td>
<td></td>
<td>0.75</td>
<td></td>
</tr>
<tr>
<td>tech.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better to use current resources that keep seeking</td>
<td></td>
<td></td>
<td>0.70</td>
<td></td>
</tr>
<tr>
<td>new opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New business is created by demand</td>
<td></td>
<td></td>
<td></td>
<td>0.91</td>
</tr>
<tr>
<td>Initial eigenvalue</td>
<td>1.58</td>
<td>1.15</td>
<td>1.13</td>
<td>1.04</td>
</tr>
<tr>
<td>Rotated sums of squared loadings</td>
<td>1.33</td>
<td>1.27</td>
<td>1.20</td>
<td>1.10</td>
</tr>
<tr>
<td>Cumulative % of variance explained</td>
<td>18.95</td>
<td>37.16</td>
<td>54.28</td>
<td>70.03</td>
</tr>
</tbody>
</table>
The means of the component scores were computed for each of the three districts and subjected to the F-test for the difference of means. The results were statistically non-significant in each case.

Entering the attitude principal components into cluster analysis resulted in solutions that were not entirely satisfactory in their interpretability. A four cluster solution (Table 3) was considered to be the most satisfactory:

*Demand and resource awareness:* This cluster is characterised by positive means scores for demand awareness and resource awareness. This suggests that the entrepreneurs in this group have an awareness of demand, but are also aware of the need for resources to fund new ventures. The group accounts for approximately one in six of the businesses in the study.

*Idea and resource awareness:* The group is characterised by positive mean scores for sources of ideas and resource awareness. It is therefore similar in character to group 1, but with sources of ideas replacing demand awareness. The group might therefore be considered to be on less of a sure footing with regard to new ventures, as demand should be a more concrete indicator of new venture opportunities. The group maintains group 1’s awareness of the need for resourcing new ventures. The group accounts for just over a quarter of the business in the study.

*Satisficers:* The only positive score is for satisficing component. This group also accounts for one in six of the businesses.

*Informed satisficers:* All components obtain positive mean scores, which at first glance seems contradictory. However, the large positive mean score for the satisficing component determines the nature of the group. This group seem to be informed of new venture ideas and their sources as well as the need for resources, but ultimately are constrained by their satisficing attitude. With encouragement from advisory organisations, business mentors, or other support schemes such entrepreneurs may be able to overcome their satisficing attitudes and have potential for growth. This is encouraging giving that the group contains 42% of the businesses in the study.

The distribution of the entrepreneurial groups by national park areas is shown in Table 4. The result is interesting and pertinent. *Satisficers* and *informed satisficers*, when combined, form the dominant group in the Repovesi district (74%) and these combined groups also account for 58% and 43% in Seitseminen and Linnansaari districts respectively. The dominance of satisficing groups

<table>
<thead>
<tr>
<th>Principal component</th>
<th>Demand and resource awareness</th>
<th>Idea and resource awareness</th>
<th>Satisficers</th>
<th>Informed satisficers</th>
<th>F-value</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource awareness</td>
<td>0.27</td>
<td>0.12</td>
<td>-1.08</td>
<td>0.23</td>
<td>11.349</td>
<td>&gt;0.001</td>
</tr>
<tr>
<td>Sources of ideas</td>
<td>-1.64</td>
<td>0.67</td>
<td>-0.34</td>
<td>0.24</td>
<td>48.079</td>
<td>&gt;0.001</td>
</tr>
<tr>
<td>Satisficing</td>
<td>-0.52</td>
<td>-1.03</td>
<td>0.59</td>
<td>0.63</td>
<td>49.668</td>
<td>&gt;0.001</td>
</tr>
<tr>
<td>Demand awareness</td>
<td>0.55</td>
<td>-0.17</td>
<td>-1.06</td>
<td>0.33</td>
<td>14.775</td>
<td>&gt;0.001</td>
</tr>
<tr>
<td>N (119)</td>
<td>17</td>
<td>33</td>
<td>19</td>
<td>50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
in Repovesi therefore implies that entrepreneurial opportunities created by visitor flows may not be perceived, or even if perceived, they will be not be acted upon as satisficing entrepreneurs will not be very interested in pursuing new ventures.

The distribution of entrepreneurial groups by segments is shown in Table 5. The demand and resource awareness group of entrepreneurs was more typical of the accommodation segment than other segments, although nearly one in four entrepreneurs in the tourism services segment also fell into this group. The idea and resource awareness group was strongly associated with tourism services but also with the retail and restaurant and café segments. Satisficers were associated more with accommodation and unspecified segments, while informed satisficers had proportionally greater representation in the accommodation and transport segments. The latter is interesting, as it suggests that transport and, especially, taxi businesses, while following the satisficing principle, nevertheless have acquired broad-based information about the various new venture opportunities created by tourism and their possible realisation. Taxi-drivers may therefore be a key element in a “weak-tie” information chain (Granovetter 1983, Burt 1995). The relationship between satisficer/informed satisficer groups and national park age shown in Table 4 supports this interpretation, because as the enterprise-based services in an area develop, the taxi-driver will be at the hub of an increasing network of enterprise- and customer-based information.

### Table 4. Distribution of entrepreneurs' views on new ventures by national park district (percentages in parenthesis).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand and resource awareness</td>
<td>7 (23.3)</td>
<td>5 (9.8)</td>
<td>5 (13.2)</td>
<td>17 (14.3)</td>
</tr>
<tr>
<td>Idea and resource awareness</td>
<td>10 (33.3)</td>
<td>18 (35.3)</td>
<td>5 (13.2)</td>
<td>33 (27.7)</td>
</tr>
<tr>
<td>Satisficers</td>
<td>3 (10.0)</td>
<td>7 (13.7)</td>
<td>9 (23.7)</td>
<td>19 (16.0)</td>
</tr>
<tr>
<td>Informed satisficers</td>
<td>10 (33.3)</td>
<td>21 (41.2)</td>
<td>19 (50.0)</td>
<td>50 (42.0)</td>
</tr>
<tr>
<td>Total</td>
<td>30 (100.0)</td>
<td>51 (100.0)</td>
<td>38 (100.0)</td>
<td>119 (100.0)</td>
</tr>
</tbody>
</table>

Approx. Pearson $\chi^2 = 0.119$ df 6 P=0.12

### Table 5. Distribution of entrepreneurial groups by segment (percentages in parenthesis).

<table>
<thead>
<tr>
<th>Entrepreneurs’ main segment</th>
<th>Demand and resource awareness</th>
<th>Idea and resource awareness</th>
<th>Satisficers</th>
<th>Informed satisficers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>7 (41.2)</td>
<td>8 (24.2)</td>
<td>7 (36.8)</td>
<td>14 (29.8)</td>
<td>36 (31.0)</td>
</tr>
<tr>
<td>Restaurants and cafés</td>
<td>1 (5.9)</td>
<td>6 (18.2)</td>
<td>2 (10.5)</td>
<td>7 (14.9)</td>
<td>16 (13.8)</td>
</tr>
<tr>
<td>Transport</td>
<td>2 (11.8)</td>
<td>0 (0)</td>
<td>2 (10.5)</td>
<td>13 (27.7)</td>
<td>17 (14.7)</td>
</tr>
<tr>
<td>Tourism services</td>
<td>4 (23.5)</td>
<td>11 (33.9)</td>
<td>2 (8.3)</td>
<td>7 (14.9)</td>
<td>24 (20.7)</td>
</tr>
<tr>
<td>Primary production (direct sales)</td>
<td>1 (5.9)</td>
<td>3 (9.1)</td>
<td>2 (10.5)</td>
<td>2 (4.3)</td>
<td>8 (6.9)</td>
</tr>
<tr>
<td>Retail</td>
<td>1 (5.9)</td>
<td>5 (15.2)</td>
<td>1 (5.3)</td>
<td>2 (4.3)</td>
<td>9 (7.8)</td>
</tr>
<tr>
<td>Other/Unspecified</td>
<td>1 (5.9)</td>
<td>0 (0)</td>
<td>3 (15.8)</td>
<td>2 (4.3)</td>
<td>6 (5.2)</td>
</tr>
<tr>
<td>Total</td>
<td>17 (100.0)</td>
<td>33 (100.0)</td>
<td>19 (100.0)</td>
<td>47 (100.0)</td>
<td>116 (100.0)</td>
</tr>
</tbody>
</table>
6 Conclusions

The paper has examined the nature of the services demanded by visitors to three national parks from the standpoint of assessing the potential for enterprise that is created by those demands. The response of entrepreneurs to demand was examined by assessing their attitudes towards new ventures. The underlying assumption being that the recognition of business opportunities would create a positive entrepreneurial response.

The analysis and the interpretation of the results is predicated on the fact that the national parks are of different ages, and that entrepreneurial responses to business opportunities will require time to develop. Structuration theory provides a basis for this predication; the theory explains how local institutional structures change over time to accommodate new activities (institutions) and new discourses.

Also underlying the analysis are two sets of facts: visitor flows to the national parks in question are inverse to their age. Linnansaari, the oldest park in the study (founded 1956), receives the least number of visitors (28,000/year), while Repovesi, founded in 2003, receives the greatest number of visitors (c. 70,000/year). However, visitor expenditures are far greater in the Linnansaari (81 €/visit) than in Repovesi (21 €/visit), with Seitseminen (founded 1984, 42,000 visitors/year and 29 €/visit) falling in between (Huhtala et al. 2009). Median expenditures reported by Pulkkinen and Valta (2008), Tunturi (2008a), Hemmilä (2008) are slightly different but the relative differences between the national parks remain the same. Huhtala et al. (2009) also report that Seitseminen has the greatest number of one to two night visitors (78% of all overnight visitors), followed by Repovesi (69%) and Linnansaari (60%). Nearly one quarter (23%) of visitors to Linnansaari stay for four to seven days, the figures for Seitseminen and Repovesi being under 10%. Day-trippers are also spend the longest time in Linnansaari (5.3 hours) compared to Seitseminen (3.7 hours) and Repovesi (4.7 hours) (Pulkkinen and Valta 2008, Tunturi 2008a, Hemmilä 2008). Longer stays almost certainly contributed to the higher expenditures per visit, but they can also be considered to create greater demands for entrepreneur-based services.

Puustinen et al. (2009) in a study of all the Finnish national parks, including those in Finnish Lapland with highly developed tourism infrastructures, consider that national park services are a factor in attracting visitors. A similar conclusion was reached by Sievänen et al. (2008). However, the results of the present study, admittedly with only three national parks, indicate a different picture, suggesting that other factors may also play a role in choice of visit: Repovesi offers the least developed services (only 2 enterprises per 1000 visitors, compared to over 4 enterprises per 1000 visitors in the Linnansaari district) despite having the largest number of visitors. This may be due to the nature of the visitors, e.g. large groups that are more typical of Repovesi, may be less likely to use local services because local services, where they exist, do not cater for, or perhaps even welcome, large parties. Telephone conversations with local entrepreneurs at the time of the data collection lend credence to the latter interpretation. Neuvonen et al. (2008) also suggest that personal reasons, such as place attachment, may affect visits to national parks. This would help to explain the number of visitors to Repovesi, as according to Neuvonen et al. (2008) 70% of visitors to Repovesi National Park planned to return, a similar figure to Seitseminen (71%) but much higher than Linnansaari (64%). Metsähallitus (the national park authority) also presents similar figures; returning visitors made up 49% of visitors to Linnansaari, 57% to Repovesi and 60% to Seitseminen (Pulkkinen and Valta 2008, Tunturi 2008a, Hemmilä 2008). However, visitors to Repovesi were less likely to revisit the area (55%). As with the Metsähallitus visitor surveys,
Neuvonen et al. (2008) also report the lowest visitor satisfaction with services in Repovesi, and it is this latter fact that seems to hold a key to understanding local business development.

The entrepreneurial response to business opportunities was assessed by first identifying entrepreneurs’ approach to new ventures. Four sets of attributes were identified: i) demand and resource awareness, capturing those entrepreneurs who are aware of demand but also of problems and solutions to financing and organising resources to realise new venture ideas; ii) satisficers – representing those entrepreneurs who are either content with their current business or not willing to take risks with new ventures; iii) informed satisficer – representing those entrepreneurs who prefer to satisfice but are nevertheless aware of information concerning demand, ideas and resources; and iv) idea and resource awareness – representing those entrepreneurs who have ideas but are also aware of the resource implications. This informed satisficer group accounted for 42%, and the satisficer/informed satisficer groups together formed 58% of all the enterprises in the study.

The distribution of the entrepreneurial groups differed between the national park districts. The demand and resource awareness group were proportionally more common in Linnansaari than in the other two districts, while entrepreneurs with idea and resource awareness were also well represented in Linnansaari, but also in Seitseminen. Informed satisficer were also strongly in evidence in the Seitseminen district and even more so adjacent to Repovesi National Park, where satisficers were strongly represented. The result forms a logical continuum; one that can be expected on the basis of structuration theory, because entrepreneurs adjacent to the older national park (Linnansaari) have had much greater time to perceive and act (i.e. gain experience and knowledge) upon the opportunities created by visitor flows to the national park and so they can be expected to be less likely to possess a satisficing attitude. In the Seitseminen district, entrepreneurs have less demand and resource awareness than in Linnansaari, but nevertheless the idea and resource awareness groups is well represented. Conversely, adjacent to Repovesi National Park (the youngest national park in the study) entrepreneurs (and potential entrepreneurs) have not yet perceived the opportunities for business, or at least, because of a lack of tourism-oriented infrastructure, are not motivated to act, and so they mostly remain satisficers.

The fact remains, however, that the majority of visitors to the three national parks in this study did not use any local services: a fact that supports the somewhat bitter comments from some entrepreneurs in the survey. However, why visitors fail to use local services has yet to be understood. Is it that day-trippers bring all their requisites with them? Or, are the required services not provided? Do enterprises sufficiently advertise, or have access to advertising channels such a local community or national park web sites that visitors might use? Are tourism services presented in such a way that they attract passing visitors? Are the services of such a standard or attractiveness that visitors will be tempted to return to use them on a future occasion? What are local authorities doing to promote the attractiveness of their locality and the tourism services provided? Such questions need to be answered to be able to fully understand the relationship between the demand for and supply of tourist services adjacent to national parks.
References


Kuoppila, P. 1999a. Matkailu ja aluetalous – työkaluja matkailun taloudellisten vaikutusten mittaamiseen


Timmons, J.A. 1990. New business opportunities: getting to the right place at the right time. Acton: Brickhouse Publishing.


