Innovation in Boutique Hotels in Valletta, Malta

Kristina Buhagiar

A Thesis submitted in partial fulfilment of the requirements of the Doctor of Philosophy

**The Edward de Bono Institute
for Creative Thinking and Innovation**

UNIVERSITY OF MALTA

2024

FACULTY/INSTITUTE/CENTRE/SCHOOL <u>The Edward de Bono Institute for Creative Thinking and Innovation</u>

DECLARATION OF AUTHENTICITY FOR DOCTORAL STUDENTS

(a) Authenticity of Thesis/Dissertation

I hereby declare that I am the legitimate author of this Thesis/Dissertation and that it is my original work.

No portion of this work has been submitted in support of an application for another degree or qualification of this or any other university or institution of higher education.

I hold the University of Malta harmless against any third party claims with regard to copyright violation, breach of confidentiality, defamation and any other third party right infringement.

(b) Research Code of Practice and Ethics Review Procedure

I declare that I have abided by the University's Research Ethics Review Procedures. Research Ethics & Data Protection form code <u>2021-00206 and 2022-00573</u>.

☑ As a Ph.D. student, as per Regulation 66 of the Doctor of Philosophy Regulations, I accept that my thesis be made publicly available on the University of Malta Institutional Repository.

☐ As a Doctor of Sacred Theology student, as per Regulation 17 (3) of the Doctor of Sacred Theology Regulations, I accept that my thesis be made publicly available on the University of Malta Institutional Repository.

☐ As a Doctor of Music student, as per Regulation 26 (2) of the Doctor of Music Regulations, I accept that my dissertation be made publicly available on the University of Malta Institutional Repository.

☐ As a Professional Doctorate student, as per Regulation 55 of the Professional Doctorate Regulations, I accept that my dissertation be made publicly available on the University of Malta Institutional Repository.

Abstract

Tourism plays a key role in economic and societal development, catalysing both financial growth and job creation. The accommodation sector, which is characterised by competitiveness and dynamism, encompasses a range of market offerings, including boutique hotels. Boutique hotels, which represent a nascent accommodation category, are often defined by their aesthetic idiosyncrasy and sense of individualism. However, as a result of their small scale and heterogeneity, these establishments generally require ongoing innovations to maintain their sense of distinctiveness. Although there is some debate of innovation in boutique hotels, these forms of accommodation remain underrepresented in broader discussions on the subject. To bridge this gap, this study investigates innovation in boutique hotels in Valletta, Malta.

This study explores innovation in boutique hotels from the perspective of hotel owners, managers, customers, and stakeholders in the Maltese tourism sector. These perspectives relate to not only innovation as a phenomenon but also to innovation as a process (at both micro-foundation and firm levels) as well as the characteristics of the innovation efforts implemented in boutique hotels. A qualitative approach involving semi-structured interviews with stakeholders, boutique hotel owners and managers from 14 boutique hotels in Valletta as well as focus group discussions with boutique hotel customers offered granular and context sensitive data.

The results of this study suggest that innovation in boutique hotels generally constitutes an outcome-centric construct occurring in products, services, and processes. Product innovation manifests as product differentiation, aesthetic individualism, and the novelty of being situated in a heritage premises. Service innovation focuses on creating idiosyncratic experiences for customers to enjoy and novel service delivery systems. Process innovation manifests as improvements in new work methods, digitization and eco-innovations. Innovation unfolds at both the individual- and firm-level, comprising between six to nine micro-foundation processes and various heterogeneous individual-level practices. At the firm-level, evidence of knowledge-based dynamic capabilities were identified. However, different forms of ownership were observed to influence the number of steps comprising both micro-foundation processes and firm-level capabilities. Most innovations in boutique hotels are incremental and they often occur in processes, services and products.

This research offers three key contributions. First, it presents a comprehensive and granular framework of innovation relevant to boutique hotels. This framework offers a broad understanding of innovation, demonstrating how boutique hotels adapt to their specific environment. Second, this thesis extends the literature on the innovation process by illustrating the diversity of innovation trajectories that manifest in boutique hotels. This can inspire practitioners to rethink their innovation strategies for augmented performance. Third, this thesis enriches the scholarly discourse on the novelty dimension of innovation by illustrating what is considered new and to whom in boutique hotels.

Keywords: Innovation, Innovation Process, Micro-Foundations, Knowledge-Based Dynamic Capabilities, Boutique Hotels

Dedication

To my mother Denise, the independent, empowered and bold woman who raised me, this achievement is dedicated to you.

To my father Dion, whose dedication to knowledge in his own Ph.D. has inspired this journey more than imaginable, thank you.

To Kenneth, my brother, your perseverance through difficult times and your unwavering determination to overcome challenges and achieve your dreams has been truly inspiring to witness. I am immensely proud to call you my brother.

To Christian, my soulmate and husband, you've added so much love, laughter and passion to my life. This Ph.D. would not have been as meaningful without you by my side.

Acknowledgements

I would like to acknowledge and express my gratitude to my supervisors, Professor Sandra M. Dingli and Dr. Lisa A. Pace, who very patiently guided and supported me through this Ph.D. When I enrolled in this doctoral journey, I was fairly green, rather stubborn and strong willed. This, of course, led to a number of disagreements. As the years passed, however, these sources of conflict have been both an impetus and an essential part of my personal growth and academic development. Therefore, I would like to thank you both for enduring my disagreements, for sharing your experience and expertise with me, for pushing me to be a better academic and for challenging my perspectives. I do believe that this has been one of the most invaluable learning experiences of my life, thank you for playing such an active and important role in it.

I would also like to acknowledge my parents, who have supported me in every possible way throughout this Ph.D. To me, this study is as much mine as it is yours. Thank you for enduring endless hours of discussions on my research topic, for always believing in me and for encouraging me to continue when times were tough. You have been the best cheerleaders anyone could ask for!

I would sincerely like to thank my husband, Christian Christensen. You came into this Ph.D. towards the end, however, ever since I met you, I have experienced some of the best days of my life. You've made me smile endlessly, you've been compassionate and caring, and you've always believed in me. Thank you for being you, perfect.

To Silje and Carla, thank you both for showing me a very fun and fulfilling side of life! Thank you for all your cuddles when I was working, for making me laugh during my breaks and for making me feel loved and supported. You mean a lot to me and your role in this Ph.D. and my life has been extraordinary.

To the staff and the academics at The Edward de Bono Institute, thank you for making every encounter a positive one, for sharing your personal experiences with me and for making the department feel like a second home. To Associate Professor Leonie Baldacchino, thank you for being a role model, an inspiration, and a wonderful friend, your support throughout this Ph.D. has meant a lot to me. To Josianne Sciberras, thank you for always supporting us students and being there for me through it all. You are a dear friend to me.

I would sincerely like to thank Associate Professor Emanuel Said for his engaging and insightful discussions, as well as his unwavering belief in me throughout this Ph.D. I am also deeply grateful to the many academics who offered invaluable advice and opportunities to discuss my Ph.D. research, including Professor Russell Smith, Professor Henrik Halkier, Associate Professor Laura James, Professor Jacob Brix, Dr Kristina Maria Madsen, Professor Amitabh Anand, Dr Kurt Borg, Ms. Raylene Abdilla, Mr. Casper Gamborg Holm, Mr. Sandro Sant'anna and Ing. Joseph A.Bartolo. It is thanks to the feedback, support and encouragement that each of you have provided me with that I have been able to complete this Ph.D.

To Kimberly Azzopardi, thank you for being the most amazing version of a best friend anyone could ever ask for. Last, to Julianne Grima, you have been my cornerstone of sanity throughout this Ph.D., you will always be a very dear friend to me. Thank you.

Table of Contents

List of Figures

List of Tables

Glossary of Abbreviations

BH	Boutique hotel
BHM	Boutique hotel manager
BHO	Boutique hotel owner
BHOM	Boutique hotel owner-manager
CIS	Community Innovation Survey
ECoC	European Capital of Culture
FAIR data principles	Findable, accessible, interoperable and reusable
FEMA	Faculty of Economics, Management and Accountancy
GDP	Gross Domestic Product
HCH	Higher category hotels
KBDCs	Knowledge-Based Dynamic Capabilities
KBV	Knowledge-Based View
LCH	Lower category hotels
MHRA	Malta Hotels and Restaurants Association
MTA	Malta Tourism Authority
NSO	National Statistics Office
OECD	Organisation for Economic Co-operation and Development
Q	Question
R&D	Research and Development
RQ	Research Question

1   Introduction

This Chapter lays the foundations of this study by presenting an overview of the research context, the research topic and the research questions underpinning this investigation. This is followed by a discussion on the methodological framework applied to collect data, an overview of the rationale for this study, and an outline of dissemination activities. This Chapter concludes by outlining the thesis's structure.

1.1   Tourism in Malta and Boutique Hotels

The archipelago of Malta, which consists of Malta, Gozo, Comino, Cominotto, Filfla and St. Paul's Island, ranks among the most densely populated countries in both Europe and the world (Chaperon & Theuma, 2016). Out of the six islands comprising Malta's archipelago, only three are inhabited, these are Malta, Gozo and Comino (Chaperon & Theuma, 2016). Geographically, these three islands are separated by sea, however, they are interconnected through a network of ferry services (Chaperon & Theuma, 2016). Malta, the main island, comprises a population of 542,051 individuals (NSO, 2024) spread across a total area of 246 km² (Chaperon & Theuma, 2016). Gozo is 67 km² and Comino, the smallest of the three islands, is only 3km² (Chaperon & Theuma, 2016). Combined, Gozo and Comino comprise approximately 40,191 inhabitants (NSO, 2024). Malta, the largest of the islands, is the hub of administrative and political activity, while Gozo is often considered "the subordinate island" (Chaperon & Theuma, 2016, p. 57) that "is geographically, economically and politically peripheral to Malta" (Chaperon & Theuma, 2016, p. 57).

Tourism in the Maltese islands constitutes one of the core economic pillars (OECD, 2022), with this sector having contributed approximately €2.1 billion to national Gross Domestic Product (GDP) in 2022 (Statista, 2023). In the island economy of Malta, tourism represents a critical avenue for job creation, foreign exchange and infrastructural upgrades (Baldacchino, 2013), with accommodation provisions on the island playing a particularly relevant role in enhancing national GDP (Chaperon & Theuma, 2016).

In 2021, the Malta Tourism Authority (MTA) published the Malta Tourism Strategy 2021-2030, which sought to prioritize the recovery and re-branding of tourism in Malta post Covid-19. Integral to this destination strategy, the MTA underscored how it seeks to promote Valletta as a city brand and a stand-alone destination in Malta. According to the MTA (2021):

> Over the past years, Malta has successfully managed to commence a process which led to the establishment of the Valletta Brand as a stand-alone off-shoot of the umbrella Malta brand. Valletta has become a recognizable brand in its own right representing a historic, urban experience based on an eclectic mix of attractions, shops, vistas, restaurants, theatre and outdoor experiences within a beautifully restored and integrated historical urban fabric within the city's extensive historic walls. (MTA, 2021, p. 72)

To increase the number of cultural tourists who visit the island, emphasis in recent years has been placed on promoting cultural tourism *vis-à-vis* Valletta, which has "an enormous symbolic importance emphasized by its location, as an expression of Maltese identity" (Ashworth & Tunbridge, 2017, p. 494). Valletta, which is the capital city of Malta, a port city and a UNESCO World Heritage Site (Baldacchino, 2014), maintains an internationally recognized cultural profile. This is largely attributed to its focus on promoting its built heritage (Baldacchino, 2014; Markwick, 2018), with the streetscapes in Valletta serving as an observable artifact of the island's historical influences, including the Knights of St John and other colonial powers, such as the French and the British (Ashworth & Tunbridge, 2017).

Although Valletta is rich in heritage, till the 1990s, the urban spaces and the built environment in the capital city were largely degraded. As a result, the regeneration of Valletta was a national concern for several years. This was addressed in 2002 during the World Summit on Sustainable Development when Malta pledged to regenerate Valletta by 2012 (Chapman & Cassar, 2004). Valletta's regeneration was further bolstered when the city was declared the European Capital of Culture 2018 (ECoC).

Over the years, numerous infrastructural upgrades have been implemented in Valletta, including the pedestrianisation of St. George's Square, Merchants Street and Castille Square, the City Gate project, the installation of the Upper Barrakka lift, and the restoration of Fort St. Elmo and St. John's Co-Cathedral (Ebejer, 2019). As Malta's capital city was restored to its former glory, there was the pressing "difficulty of finding innovative reuses of the extensive array of historic buildings" (Chapman & Cassar, 2004, p. 456).

In an effort to promote Valletta as a city-break destination specifically targeted towards cultural tourists, some historic buildings have been re-adapted for use as boutique hotels (Speake & Kennedy, 2022). These hotels are generally situated in palaces or large townhouses, and they often comprise "luxury attributes and are of the highest standard" (Speake & Kennedy, 2022, p. 1208). The boutique hotel phenomenon in Valletta, Malta, became predominant in 2014, with the tourism minister at the time having earmarked 16 boutique hotels for development in Valletta (Mizzi, 2014, para. 1). Today, "the capital city is brimming with boutique hotels" (Grace, 2023, para.3), underscoring a growing trend amongst "'allocentric' international tourists, towards designer-led, culturally enriched, smaller hotels" (Markwick, 2018, p. 289).

Globally, boutique hotels represent both a nascent and a highly successful phenomenon in the accommodation sector (Bӑltescu & Boșcor, 2016), with the boutique hotel market size estimated to be worth USD 9,962.60 million in 2024 ([Future Market Insight, 2024](#)). In part, the success of boutique hotels is attributed to the emphasis hoteliers in these accommodation provisions place on service quality, customization (Firat et al., 2014), unique hotel designs, interpersonal experiences and attractive locations (Wang et al., 2015). According to Jones et al. (2013):

> Boutique hotels are typically small hotels that offer high levels of service. Boutique hotels tend to be stylish, trendy, and "cool" and provide an intimate hotel experience. Boutique hotels often provide authentic cultural or historic experiences and interesting services to guests. Boutique hotels are unique. (Jones et al., 2013, p. 729)

Despite the absence of a universally agreed-upon definition of boutique hotels, these types of accommodation are typically defined by their provision of an aspirational experience and a unique property experience. This is often achieved through the adaptive reuse of heritage buildings. Furthermore, these accommodation provisions tend to be small, quaint and located in historic zones (Jones et al., 2013). Due to the emphasis boutique hoteliers generally place on aesthetic value and personalization in boutique hotels, Parolin and Boeing (2019) maintained that "the emergence of boutique hotels is associated with the emergence of the new postmodern consumer" (p. 43). Notwithstanding the increasing popularity of the boutique hotel phenomenon, however, academic interest in these accommodation provisions only started to gain traction in 2019, with most articles on these hotels published between 2019 to 2022 (Buhagiar et al., 2024). Moreover, most publications on boutique hotels have explored these accommodation provisions in Asia (Buhagiar et al., 2024). As a result, boutique hotels reflect a nascent context of investigation (Buhagiar et al., 2024).

According to Jankarl Farrugia, a local accommodation consultant, "the skills you need for a boutique hotel are perhaps even more sensitive than for a large hotel" ([MacDonald, 2014, para. 16](#)). Likewise, Frankie Spiteri, another accommodation consultant, commented that "only the strongest [boutique hotels] will survive" ([MacDonald, 2014, para. 3](#)). In a micro-sized market such as Valletta, the area of which is approximately 0.61km², the rapid uptake of boutique hotels has raised concerns related to the long-term sustainability and viability of these hotels. This has been exacerbated by the broader issue of accommodation oversupply in Malta. In this respect, Deloitte's (2022) carrying capacity study of Malta stressed that "without action; significant risk of oversupply [in accommodation] exist over the next 5 years[,] *ceteris paribus*, sustaining the expected growth in accommodation supply requires extensive tourist arrival growth and raises financial, social and environmental sustainability concerns" (p. 5). This particular issue was also acknowledged by the Malta Tourism Authority (MTA), with the national tourism strategy for 2021-2030 outlining that "there is a huge latent stock of approved incremental tourism accommodation in the pipeline which also needs to be given due consideration in terms of its impact on future supply and demand" (p. 12). With accommodation provisions in oversupply, exploring innovation in a novel context, such as in boutique hotels in Malta's capital city, Valletta, is pronounced. This is reinforced when one considers the lack of scholarly works aimed at investigating innovation from a holistic perspective in this specific context.

1.2 Personal Motivation for this Research

My interest in exploring innovation in boutique hotels in Valletta, Malta, has been influenced by both my love for Valletta as an expression of the local identity, and my master's degree, which focused on both creativity and innovation.

Growing up, I witnessed a Valletta that distinctly contrasted with the revitalized capital city we experience today. From an early age, I remember the city being visibly neglected and degraded, it was especially abhorrent to observe how the houses and *palazzini*, although defined by beautiful architecture, were marked by structural decline and significant deterioration. Based on my recollections of Valletta, in the 90s, the capital city was unwelcoming, defined by precarious public spaces, substandard housing and an ambience that fell short of the vibrancy expected of a capital city. Over the course of my upbringing, I had the privilege of visiting several capital cities across Europe and beyond. These experiences left a lasting impression on me and by way of my travels, I quickly came to realize that not only were capital cities prioritized and afforded the attention they deserved, but they inspired a sense of pride in their citizens.

Over the years, as investments were eventually allocated towards revitalizing Valletta, the beauty and awe of Malta's capital city became evident. I feel immensely proud as a Maltese citizen to see our local heritage celebrated and showcased. Likewise, I have a profound sense of appreciation for the hoteliers who re-adapted heritage buildings, i.e., *palazzini*, into grand hotels that preserved our local identity. While Malta's wider landscape has become marked by concrete monstrosities, eroding our traditional architecture, Valletta stands as a notable reminder of our heritage. Based on my appreciation for preserved heritage, it seemed natural, almost obvious, to explore boutique hotels in Malta's capital city.

Exploring innovation within this specific context was largely inspired by my master's degree in creativity and innovation. While reading for this degree, I was struck by the vibrant and bourgeoning debates set forth in the literature on innovation, however, at the same time, I found myself underwhelmed by the shortcomings in this field. In particular, I remember

grappling to differentiate between, select and justify my decision for applying one definition of innovation over the hundreds of definitions available. I also remember feeling a strong sense of frustration when exploring innovation process models which, for the most part, appeared to be generic and offer limited practical contributions. Due to these frustrations and my unrelenting curiosity to continually learn, my Ph.D. topic was solidified.

My commitment to this research has been guided by a belief that the results derived from this study can advance knowledge in this field and offer both theoretical and practical insights that are of relevance to boutique hotels – a sector which remains largely unexplored.

Building on the preceding, the following section sets forth a discussion on innovation in accommodation provisions, outlining the specific gaps this research addresses.

1.3   Innovation in Accommodation Provisions

Innovation represents a key prerequisite necessitated for the long-term survival and success of organizations (Li et al., 2022). In the tourism and hospitality sector, innovation is regarded as a fundamental strategic issue (Pikkemaat et al., 2019), with rapid rates of competitivity (Ziyae et al., 2022) compelling both destinations and organizations to establish and implement innovations to achieve growth and long-term success (Pikkemaat et al., 2019). In this particular sector of the economy, innovation constitutes a key determinant of competitiveness (Orfila-Sintes & Mattsson, 2009), a catalyst required for augmented business performance (Hameed et al., 2021), a precondition necessitated for efficiency, and a keystone necessary for improved customer satisfaction (Jacob et al., 2003).

The accommodation sector constitutes a large sub-sector of the tourism ecosystem, with a global value of approximately $1.9 trillion U.S. dollars in 2023 (Statista, 2024). Innovation in this sector has become a forefront priority (Pikkemaat et al., 2019), as expressed by Backman et al. (2017), "as an industry [hospitality industry] where firms face fierce competition, it is important for the firms to maintain their competitiveness by distinguishing themselves from others through continuous improvements and innovations" (p. 1591). Innovations in accommodation provisions have been stimulated by numerous factors, including the rapid development of the internet and sophisticated technologies, the prevalence and pervasiveness of complex distribution channels and the subsequent uptake of the sharing economy (Li et al., 2022). Furthermore, innovations in this sector are typically subject to high degrees of mimicry (see, for example, Hjalager, 2002; Vila et al., 2012, Ziyae et al., 2022), potentially making any competitive advantages derived from innovation rather short-lived. As a consequence, Vila et al. (2012) claimed that "hotels are in effect forced to innovate continually because of the speed with which the competition copies successful ideas" (p. 76).

As hospitality organizations are increasingly instigated to innovate, "often, quickly and with a solid success rate" (Lawson & Samson, 2001, p. 380), and as this sector is subject to growing challenges and complexities (Pascual-Fernández et al., 2021), investigating innovation in the context of tourism and hospitality organizations has become particularly relevant (see, for example, Jacob et al., 2003; Martínez-Ros & Orfila-Sintes, 2009; Montresor, 2018; Volo, 2006).

Notwithstanding the relevance of innovation, however, dedicated theoretical approaches on innovation in tourism and hospitality organizations started to gain traction in 2002 following

Hjalager's seminal publication entitled *Repairing Innovation Defectiveness in Tourism*. According to Pikkemaat et al. (2019), publications on innovation in tourism organizations started to gain momentum in 2010, with interest in this field peaking in 2018. Due to the recent development of the literature on innovation in tourism and hospitality organizations, Montresor (2018) claimed that this domain lacks dedicated theoretical insights and frameworks. According to Backman et al. (2017), "this sector [hospitality sector] is currently underrepresented in the innovation literature and does not receive much attention from policymakers regarding its innovative capacity" (p. 1592). As such, a holistic investigation that explores the perceived meaning, the processes, and the outcomes of innovation in one situated context, in this case, boutique hotels, remains unaddressed in the literature. This points towards three unexplored areas of investigation.

First, "there is a general lack of consensus on the definition of innovation in tourism" (Işık et al., 2022, p. 2), making it rather problematic to comprehend, position and operationalize this construct. Oftentimes, definitions of innovation in tourism and hospitality management tend to rely on the service innovation literature to frame this construct (see, for example, Baradarani & Kilic, 2018; Chen, 2011; Hernández-Perlines et al., 2019; Jacob et al., 2003; Li et al., 2022; Ottenbacher et al., 2012; Wikhamn et al., 2018), making these definitions rather generic and limited in their capacity to account for contextual variances. Context is critical when defining innovation in the tourism and hospitality industry due to the idiosyncratic attributes of the organizations operating in this economic sector. Some of these attributes include high degrees of perishability and intangibility in the tourism product (Işık et al., 2022), a significant degree of dependence on customers in the production process (Smith, 1994), and pervasive levels of interdependence between service providers to produce bundles of service packages (Hjalager, 2002; Volo, 2006). Value in this sector is often

experiential as opposed to functional (Montresor, 2018), while services are generally contingent on the attitude in which a task is performed (Smith, 1994). These characteristics differ from other service industries where services are often contingent on "the technically competent performance of a task" (Smith, 1994, p. 588). Due to the novel characteristics of the tourism industry, Volo (2006) claimed that "the peculiar nature of the tourism sector creates a need for special considerations when conceptualising, defining and measuring innovation" (p. 77). However, "the contextual nature of innovation is a problem that is rarely addressed in the literature" (Baunsgaard & Clegg, 2015, p. 5).

Second, the innovation process in tourism organizations remains an underexplored area of investigation (Ziyae et al., 2022). This has been reflected in a number of critiques advanced in the literature (see, for example, Hjalager, 2010; Nordin & Hjalager, 2017; Ziyae et al., 2022). Hjalager (2010) maintained that "there is an incomplete understanding of how innovation processes take place in tourism enterprises" (p. 9). Martínez-Román et al. (2015), more recently stated that "despite the growing interest in empirical research on innovation, no model has been developed for the innovative behavior of firms in tourism" (p. 119). In more recent developments, Nordin and Hjalager (2017) reaffirmed that "much is lacking in terms of an overall understanding of innovation processes in tourism" (p. 166). Although some innovation process models have been set forth in the tourism and hospitality management literature (see, for example, Custódio Santos et al., 2020; Nordin & Hjalager, 2017), these models represent initial efforts undertaken to advance this domain of inquiry. As a result, these models suffer from certain shortcomings. For example, notwithstanding the fact that Nordin and Hjalager's (2017) model presents in-depth evidence of the processes used in IceHotel to establish innovation outcomes, the methodology adopted by the authors, i.e., a single case study, is limited in its capacity to account for any alternative practices used

in accommodation provisions to establish innovation outcomes. On the other hand, Custódio Santos et al.'s (2020) model of innovation was developed by way of the literature and, therefore, it requires empirical validation to assess the degree to which this model represents reality. Furthermore, while several analyses have presented evidence to illustrate the fundamental role of knowledge resources in the innovation processes (see, for example, Amabile & Pratt, 2016; Galanakis, 2006; Tekic et al., 2011), studies have seldom explored how knowledge is acquired, recombined, leveraged, created, and exploited from a multi-level perspective, with emphasis placed on investigating both the micro-foundation practices and the firm-level knowledge-based dynamic capabilities (KBDCs) used to establish innovations in accommodation provisions.

Third, the uptake and the underlying characteristics of the innovations implemented in accommodations provisions remain subject to debate, with researchers often advancing contradictory findings (see, for example, Pikkemaat & Peters, 2006; Vila et al., 2012). This has resulted in a polarized perspective of innovation in accommodation provisions, with some researchers having presented evidence of continuous innovations in hotels (see, for example, Backman et al., 2017; Jacob et al., 2003) and other researchers having set forth evidence of few, if any, innovation activities in hotels (see, for example, Binder et al., 2016; Pikkemaat & Peters, 2006). Given the limited number of tools and scoreboards available to measure and capture innovation in the tourism sector with, for example, the Community Innovation Survey (CIS) having been critiqued for comprising measurement bias (Nordin, 2017), this sector is often underrepresented in EU-statistics, meaning that the rate and the nature of innovations in this sector remains subject to debate.

In addition, the characteristics of innovations in accommodation provisions tend to be fragmented, with authors often setting forth diverging results for different types of hotels defined by varying ownership structures (see, for example, Martínez-Ros & Orfila-Sintes, 2009; Orfila-Sintes et al., 2005; Rodríguez-Victoria et al., 2017; Wikhamn et al., 2018). As a consequence, it is not a simple task to comprehend the characteristics of innovation in one type of hotel, leading to a incomplete picture of innovation in accommodation provisions.

In addition, given that innovation can be explored from a definitional perspective, as a process and as an outcome, innovation is often investigated in the tourism and hospitality management literature one focus of analysis at a time and in different types of hotels, implying that this has impeded a holistic understanding of innovation from emerging.

1.4   Research Questions

To address the preceding gaps in the literature, this research explored the following research questions (RQ):

Research Question 1. How is innovation in boutique hotels in Malta perceived by practitioners, customers, and stakeholders in the local tourism industry?

Research Question 2. What are the micro-foundation practices that are applied to transform knowledge resources into innovations in boutique hotels in Valletta, Malta?

Research Question 3. What are the firm-level knowledge-based dynamic capabilities that are applied to systematically transform knowledge resources into innovations in boutique hotels in Valletta, Malta?

Research Question 4. What are the characteristics of the innovations implemented in boutique hotels in Valletta, Malta?

1.5 Research Methods and Design

To explore innovation in boutique hotels in Valletta, Malta, this research applied the postpositivist paradigm and the constructivist interpretive framework. These philosophical foundations were applied as they supported the researcher investigate innovation from the social and lived world of the subjects comprising this study, prioritizing an in-depth and narratively rich investigation of innovation grounded in multiple realities.

Based on these philosophical underpinnings, the qualitative methodology was applied to investigate innovation. To address RQ1, data was collected from four different respondent groups, these are boutique hotel owners (BHOs), boutique hotel managers (BHMs), boutique hotel customers and stakeholders in the local tourism industry. This approach allowed for the meaning of innovation to be explored from the multiple viewpoints of different actors. To address RQs 2, 3 and 4, data was predominantly collected from BHMs and BHOs. This supported a comprehensive investigation of the innovation process on multiple levels

Two qualitative data collection methods were applied in this study. To collect data from BHOs, BHMs and stakeholders in the local tourism industry, semi-structured interviews

were developed. To collect data from boutique hotel customers, focus groups were selected as the preferred method of data collection.

Data was collected from 4ᵗʰ August 2021 to 11ᵗʰ May 2022. In total, 25 interviews were held with BHOs and BHMs from 14 boutique hotels situated in Valletta, Malta. From these 14 boutique hotels, nine hotels were independently owned, two hotels were chain-owned, and three hotels were multi-sector group-owned boutique hotels. From the 25 BHOs and BHMs who participated in this study, 16 respondents were BHMs and nine respondents were BHOs. 10 interviews were held with stakeholders in the local tourism industry, with these respondents stemming from numerous sectors, such as government and the University of Malta. Last, four focus groups with, in total, 25 boutique hotel customers were conducted.

1.6 Rationale for Study

This research aims to present a cohesive and unified investigation of innovation in one context. This is of relevance to scholars, practitioners, and policymakers, as a holistic investigation of innovation allows for a richer, in-depth, and contextually sensitive overview of the innovation patterns, behaviours, and characteristics of this complex construct.

This is relevant for scholars as it supports an expansive snapshot of innovation, paying particular attention to illustrating the nuanced behaviour of hoteliers in one specific context. Moreover, by investigating three foci of analysis, i.e., the perceived meaning of innovation, the innovation process and innovation outcomes, this study marks a first attempt to document and record innovation in boutique hotels from a holistic viewpoint. In addition, by contextualizing innovation in boutique hotels, this research provides increased clarity to the

ascribed meaning of innovation which, according to Witell et al. (2016), "is fundamental for knowledge sharing and perspective taking and enables others to understand the theory and be able to criticize and reproduce the observations" (p. 2864). Therefore, part of the rationale for this research is to operationalize innovation *via* a contextually sensitive and multi-actor interpretation of this construct.

Moreover, this research aims to further expand the tourism and hospitality management literature on the innovation process (see, for example, Hjalager, 2010; Nordin & Hjalager, 2017; Martínez-Román et al., 2015). This is relevant as "in order to develop successful policies aimed at promoting innovation in the hospitality industry, it is crucial to have knowledge and an understanding about the innovation processes" (Backman et al., 2017, p. 1592). Therefore, the rationale for this study is to uncover the practices used to establish innovation in boutique hotels and to explore the challenges faced by practitioners in this sector. This provides policymakers with information that is relevant in order to develop tailored policies aimed at further facilitating the uptake of innovation. For practitioners, an increased understanding of the innovation process provides a framework to better manage innovation activities and outcomes in boutique hotels. For scholars, this research bridges two fields of inquiry in strategic management, that of micro-foundations and firm-level dynamic capabilities. This approach towards exploring innovation provides a multi-level perspective of this construct, extending the literature by illustrating how micro-level practices are interlinked with firm-level capabilities and *vice versa*.

This study further aims to enrich the literature on innovation relative to boutique hotels, where studies on this topic remain scarce (Buhagiar et al., 2024). According to Buhagiar et al.'s (2024) systematic review of the literature, between 1994 to 2022, only two publications

explored innovation in boutique hotels. Out of these two publications, one article focused on soft innovations in boutique hotels (Pirnar et al., 2019) and the other article investigated the relationship between innovation and customer satisfaction in boutique hotels (Truong et al., 2020). A holistic understanding of innovation in boutique hotels has, so far, been absent from the literature. This topic is relevant to address in order to advance theory on innovation in this specific field by presenting a granular framework of innovation and by underscoring its link to context. As such, this study represents the first comprehensive attempt to explore innovation in this novel context, that is, in boutique hotels.

1.7 Dissemination

It is to be noted that this research draws from some previous publications, these are listed and described below:

- Chapter 2 builds upon research which the researcher, in collaboration with her supervisors, published. It specifically extends a systematic literature review published in the Journal of Hospitality and Tourism Insights on the attributes of boutique hotels (Buhagiar et al., 2024).

- Chapter 2 builds upon research which the researcher, in collaboration with her supervisors, presented at the 13th International Conference on Knowledge Management and Information Systems. The paper submitted to this conference was peer-reviewed and published as part of the conference proceedings (Buhagiar et al., 2021).

- Chapter 4 builds upon research which the researcher presented at the 14th International Conference on Knowledge Management and Information Systems. The

paper submitted to this conference was peer-reviewed and published as part of the conference proceedings (Buhagiar, 2022).

- Based on the results of Chapter 4, the researcher, in collaboration with her supervisors, published a chapter in a peer-reviewed book in Springer's Communications in Computer and Information Science book series (CCIS, volume 1842). This publication discusses the role of ICTs and ITs in the innovation processes of boutique hotels in Valletta, Malta (Buhagiar et al., 2023).

1.8   Structure and Aims of Chapters

Following this introduction, this research is subdivided into five Chapters.

Chapter 2 provides a review of the literature on innovation in tourism and hospitality management. In this Chapter, emphasis is placed on three key topics. First, a discussion on the definition of innovation is set forth. Second, a discussion on the literature related to the innovation process is advanced. Third, a critical discussion on the number, the types and the novelty of the innovations implemented in boutique hotels is presented. This section concludes by discussing the context of exploration in this study.

Chapter 3 illustrates the methodological and philosophical underpinnings comprising this research and discusses the data collection and analysis techniques applied by the researcher to gather and analyse the empirical data collected.

Chapter 4 presents the results of this research and Chapter 5 extends these results by discussing how the findings from this research challenge, support and extend the literature discussed in Chapter 2.

This research concludes with Chapter 6, where the salient points set forth in this study are discussed. The key contributions of this investigation to both theory and practices are outlined and the limitations of this study and some suggestions for future research are presented.

2 Literature Review

2.1 Introduction

This Chapter provides a review of the literature on innovation in tourism and hospitality management, with the aim of setting forth a cohesive overview of the key studies and debates in this domain. This Chapter commences by presenting the theoretical assumptions employed in this study. This is followed by a review of the literature in tourism and hospitality management on the definition of innovation, innovation as a process and innovation as an outcome. This Chapter concludes by presenting a discussion on boutique hotels and by outlining the salient points advanced herein.

2.2 Position

This study explores three aspects of innovation in boutique hotels, these are the perceived meaning of innovation from the viewpoint of BHOs, BHMs, customers and stakeholders in the local tourism industry, innovation as a multi-level process, and innovation as an outcome. Due to the complex nature of innovation, however, this research employed several theoretical assumptions to investigate these foci of analyses.

First, due to the contextual heterogeneity of the tourism and accommodation sector (Hjalager, 2002; Işık et al., 2022; Montresor, 2018; Smith, 1994; Volo, 2006), this research aligned with the demarcation approach. This approach, which represents one of three different approaches scholars can adopt to frame innovation, "is characterised by the aim of highlighting the specific characteristics of services, demarcating them from the

manufacturing sector" (Freni, 2022, p. 158). This was considered relevant given that services are highly variable and comprise diverse configurations, as a result, a one-size-fits-all approach towards exploring innovation is precluded (Freni, 2022). In the tourism and accommodation sector, the nuances of the tourism product are particularly pronounced. For example, tourism products generally comprise bundles of service packages, with high degrees of inter-organizational dependence required for the supply of goods (Montresor, 2018). Tourism products generally satisfy customer emotions and memories as opposed to their basic needs, accentuating the experience-oriented nature of this sector (Montresor, 2018). As stressed by Montresor (2018), "because of all these (and possibly other) idiosyncratic features, the analysis of tourism innovation would require a further 'demarcation' approach" (p. 767). The demarcation approach was selected as it accentuates contextual novelty. This was considered relevant in the investigation of boutique hotels, where empirical analyses on innovation in this context remain nascent, and where studies have set forth evidence to illustrate the peculiarities of the boutique hotel context (Buhagiar et al., 2024). By adopting the demarcation approach, this research placed emphasis on identifying the granular attributes of innovation specific to boutique hotels (Gallouj & Savona, 2009). This supported an in-depth investigation of innovation that accounted for the idiosyncrasies of boutique hotels, and it also allowed for the immateriality, interactivity and co-production practices used to establish innovation outcomes in boutique hotels to be captured (Morrar, 2014). By aligning with the demarcation approach, this study diverged from the foundational premises of the other two possible approaches, these are the assimilation approach and the synthesis approach. The assimilation approach was not considered appropriate in this research as it tends to equate innovation in services with innovation in manufacturing (Freni, 2022), drawing no distinction in the ways that context influences the uptake, processes, and outcomes of innovation in a situated context. Contrary

to this perspective, the foundational assumptions of this research prioritised the unique nature of the boutique hotel context. On the other hand, due to the fluid nature of the synthesis approach, which integrates frameworks and insights from both the manufacturing and services literatures (Freni, 2022), a departure from this was required to explore and highlight the specific attributes of innovations relative to boutique hotels.

When exploring innovation from a process perspective, this research aligned with three theoretical assumptions. First, knowledge was considered to comprise "the preeminent factor of production" (Grant, 2013, p. 542). Therefore, this study rooted itself in the knowledge-based view (KBV). This theoretical approach was selected as knowledge is generally recognized to constitute a pre-requisite necessitated for the innovation process to occur, with innovation positioned as path-dependent on knowledge resources (Quintane et al., 2011). By aligning with the KBV, innovations were positioned to emerge through "the application of new knowledge, others result from reconfiguring existing knowledge" (Grant, 1996b, p. 376). With knowledge resources positioned to comprise the focal unit of analysis in the innovation process, this research was provided with a framework to identify and analyse the processes used in boutique hotels to cultivate ideas and to establish innovation outcomes, this supported a rich understanding of the different micro-foundation and firm-level mechanisms deployed in boutique hotels to exploit knowledge resources.

Complementing the KBV, this research applied two additional theoretical approaches to conceptualize and explore the innovation process on multi-levels, these are the micro-foundation approach and the dynamic capabilities approach. Combined, these theoretical approaches allowed for the innovation process to be investigated in a holistic and comprehensive manner.

The micro-foundation approach provided a lens to investigate the individual-level practices personnel in boutique hotels implement to transform knowledge resources into innovation outcomes. This approach was considered relevant as "we are dealing with human actors and thus a theory of these actors is needed, a theory of their nature, creative capacities, rationality and so forth" (Felin & Foss, 2012, p. 297). By exploring micro-level phenomena, i.e., individual-level practices, this research was able to investigate the complex actions and interactions personnel in boutique hotels implemented to transform knowledge resources into innovation outcomes. This approach also served as a foundation to explore firm-level phenomena, i.e., dynamic capabilities. As stressed by Felin et al. (2012), "a microfoundations approach focuses on collective phenomena that need explanation, specifically the creation and development, and the reproduction and management of collective constructs such as routines and capabilities" (p. 1352). Therefore, this approach was considered necessary to conduct a multilevel investigation of the innovation process.

To conceptualize firm-level routines for knowledge transformation, this study relied on the dynamic capabilities approach, with emphasis placed on two specific knowledge-based dynamic capabilities, these are absorptive capacity and combinative capabilities. The dynamic capabilities approach was applied as it represented a framework to explore higher-level routines that, when combined with input flows, e.g., knowledge, provide organizations with significant outcomes, e.g., innovation (Winter, 2003). By applying the dynamic capabilities approach, this research was able identify systemized knowledge reconfiguration routines in boutique hotels. This facilitated the emergence of a multi-level perspective of innovation.

2.3 Defining Innovation in Services and Tourism

This section explores various definitions of innovation, with emphasis attributed to critically discussing the extent to which characterizations of this construct have been contextualized. This is done by contrasting definitions of innovation in the tourism and hospitality management literature with definitions of innovation in the service innovation literature.

2.3.1 Definitions of Innovation and the Role of Context

Since the 1980s, definitions of innovation have increased (Singh & Aggarwal, 2022), and although this has led to a number of vibrant debates, it has concurrently resulted in conceptual confusion and disagreement among scholars on the meaning of innovation (Gustafsson et al., 2020). In part, these shortcomings are a consequence of the fragmented and interdisciplinary nature of innovation studies (Galanakis, 2006), and the complex evolutionary paths through which this domain of investigation evolved.

Innovation studies emerged in the 1770s (Smith, 1776), with authors placing emphasis on exploring this construct in the context of manufacturing enterprises. During this period, service sectors were generally viewed to comprise residual sectors defined by unproductive labour (Smith, 1776). As a consequence, during the 1770s, innovation in service organizations was ostracized from the academic debate in the classical literature on innovation. In the 1980s and 1990s, however, following the increasing economic impact and importance of the services sector and the simultaneous uptake of servitization (Carlborg et al., 2014), scholars interested in exploring innovation in the context of service organizations

established an independent field of inquiry. With high degrees of sectorial heterogeneity present in the services sector, in the 1990s, the literature on service innovation further bifurcated, with innovation in tourism and hospitality organizations emerging to represent an autonomous domain of inquiry (see, for example, Gomezelj, 2016; Işık et al., 2022; So et al., 2023).

In the tourism and hospitality management literature, scholars have increasingly emphasized the importance of context (see, for example, Backman et al., 2017; Gomezelj, 2016; Pikkemaat et al., 2019; Volo, 2006). For example, Volo (2006) stressed that the "peculiar nature of the tourism sector creates a need for special considerations when conceptualising, defining and measuring innovation" (p. 77). Likewise, Gomezelj (2016) stated that "the hospitality and tourism sector has specific characteristics; consequently, it should not be dealt with innovativeness in this sector in the same way as in other sectors or industries" (p. 540).

Several attributes distinguish the tourism sector from other service sectors, including the perishability and intangibility of the tourism product (Işık et al., 2022). Additionally, customers frequently play an integral role in the production process (Smith, 1994). Tourism products often comprise bundles of services or service packages, meaning that market actors are generally contingent on each other for the supply of goods/services (Hjalager, 2002; Volo, 2006). Due to high degrees of interdependence between market actors, innovations in this sector are often contingent on inter-firm structures for the transfer of information, knowledge and innovations (Hjalager, 2010). Furthermore, tourism products generally deliver experiential forms of value, meaning that they tend to satisfy customer emotions and memories as opposed to needs (Montresor, 2018). According to Smith (1994), "whereas [a]

service is the technically competent performance of a task, hospitality is the attitude or style in which the task is performed" (p. 588). The tourism sector is defined by high rates of labour turnover that generally outpace turnover in other sectors of the economy, this severely impedes the transfer of knowledge on innovation between personnel (Hjalager, 2002).

Notwithstanding the contextual novelty of the tourism sector, to date, limited attention has been placed on exploring the extent to which definitions of innovation in the tourism and hospitality management literature account for sectorial heterogeneities. Based on this shortcoming, the following section presents a critical discussion on the comparative similarities and differences between a number of definitions of innovation advanced in both the tourism and hospitality management literature and the service innovation literature. Definitions from the service innovation literature were selected as a comparative benchmark due to the reliance scholars in the tourism and hospitality management literature have displayed on the theoretical foundations in this domain (So et al., 2023). A list of the definitions used in this section is presented in Table 2.1 below.

Table 2.1 Definitions of Innovation

Definition of Innovation in the Tourism and Hospitality Management Literature	Author & Year of Publication	Definition of Innovation in the Service Innovation Literature	Author & Year of Publication
"Recombination innovation refers to combining one or more service characteristics to decompose and create new services" (p. 401)	Li et al., 2022	"A new service or the creation and implementation of a new service" (p. 630)	Kurtmollaiev & Pedersen, 2022
"innovative capacity refers to the capacity of companies to develop new products and/or markets by aligning the innovative strategic orientation with innovative behaviours and processes" (p. 222)	Hernández-Perlines et al., 2019	"A new process or offering that is put into practice and is adopted by and creates value for one or more stakeholders" (p. 114)	Gustafsson et al., 2020
"Innovation in the hotel sector refers to the implementation of new ideas in service/product offerings, processes, marketing and organizing. These ideas can be new to the market or only new to the hotel" (p. 2486)	Wikhamn et al., 2018	"Adopting a combined, value-centric view, service innovation can be understood in terms of new ways of cocreating value" (p. 294)	Helkkula et al., 2018
"innovation refers the process of bringing new ideas into use; the ideas of reorganization, cost reduction and developing communication can be considered innovations" (p. 901)	Baradarani & Kilic., 2018	"The process of devising a new or improved service, from idea or concept generation to market launch" (p. 383)	Biemans et al., 2016
"the development of novel and useful ideas for improving service effectiveness" (p. 64)	Chen, 2011	"The introduction of new services or incremental improvements of existing services" (p. 66)	Durst et al., 2015

"Tourism innovation: changes in product, process, delivery, organization, markets and marketing that contributes [*sic*] to the bundled product we call the "tourism experience" have [been] introduced within a relevant time period that might be considered to fall on the invention-adoption continuum and that provide a meaningful change, from the point of view of the tourist, in one of the four dimensions mentioned. Consequently, a tourism innovation should not be considered an innovation unless and until it has some effect, no matter how remotely, on the experience of the tourists, e.g., lower price due to increase efficiency, decrease wait in service time" (p. 79)	Volo, 2006	"New combinations of operand and operant resources for consumers to experience" (p. 190)	Björk, 2014
"the ability to develop and launch new and successful service offers" (p.114)	Ottenbacher et al., 2012	"a new service, a new service portfolio and/or a new service process that individually or in combination defines a new way of creating value for the customer" (p. 494)	Den Hertog et al., 2010
"the conversion of ideas into products, processes or services which are valued by the market. These ideas can be technological, commercial or organizational" (pp. 282-283)	Jacob et al., 2003	"A service innovation is a new service or such a renewal of an existing service which is put into practice and which provides benefit to the organisation that has developed it; the benefit usually derives from the added value that the renewal provides the customers. In addition, to be an innovation the	Toivonen & Tuominen, 2009

		renewal must be new not only to its developer, but in a broader context, and it must involve some element that can be repeated in new situations, i.e. it must show some generalisable feature(s)" (p. 893)	
		"Creating value through customer experiences" (p. 67)	Bitner et al., 2008
		"Our definition of innovations is a broad one, in the sense that it encompasses ideas, practices, or objects which are new to the organization and to the relevant environment" (p. 157)	Van der Aa & Elfring, 2002
		"a combination of technology innovation, business model innovation, social-organizational innovation, and demand innovation, with the objective of improving existing services (incremental innovation), creating new value propositions (offerings), or creating new service systems (radical or transformational innovation)" (p. 14)	Wooder & Baker, 2012

(Source: Author)

In reviewing the definitions of innovation set forth in Table 2.1, two distinct similarities emerge between the definitions found in the tourism and hospitality management literature and the service innovation literature. First, scholars seem to converge on the role and importance of ideation in the innovation process (see, for example, Baradarani & Kilic., 2018; Chen, 2011; Jacob et al., 2003; Van der Aa & Elfring, 2002; Wikhamn et al., 2018). In this respect, ideas that are useful and novel (Chen, 2011), these can be technological, commercial, or organizational (Jacob et al., 2003) and they can also reflect a new practice or object (Van der Aa & Elfring, 2002), are believed to represent the starting point of innovation activities. Likewise, scholars also seem to place importance on the implementation phase of an idea, with ideas believed to constitute an innovation once they have been put to use, into practice or launched (see, for example, Baradarani & Kilic., 2018; Biemans et al., 2016; Gustafsson et al., 2020; Kurtmollaiev & Pedersen, 2022; Ottenbacher et al., 2012; Toivonen & Tuominen, 2009; Wikhamn et al., 2018). These observations are consistent with Singh and Aggarwal's (2022) findings, with the authors analysis of 208 definitions of innovation having revealed that:

> A core premise of many definitions of innovation is the proposition that innovation is implementing creative ideas. Often, creativity is defined as a precursor to innovation by considering innovation as the implementation and commercial exploitation of creative ideas. (Singh and Aggarwal, 2022, p. 180)

In addition to these similarities, definitions of innovation in the tourism and hospitality management literature and the service innovation literature, also converge on the degrees of novelty necessitated for an idea to be considered an innovation.

When discussing novelty, however, it is relevant to note that this attribute is infrequently referred to. In fact, from eleven of the definitions in the service innovation literature

illustrated in Table 2.1, only two definitions addressed this attribute. Likewise, only one out of the eight definitions of innovation in the tourism and hospitality management literature illustrated in Table 2.1 referred to this aspect of innovation. Notwithstanding this limitation, however, in the context of service organizations, innovations are believed to constitute implemented ideas that can be considered new to the organization (Toivonen & Tuominen, 2009; Van der Aa & Elfring, 2002). In the tourism and hospitality management literature, innovations are generally believed to be new to the organization or the market (Wikhamn et al., 2018). Based on the relatively low degrees of novelty necessitated for implemented ideas to constitute innovations, Witell et al. (2016) stressed that "in practice, this means that all service firms develop service innovations" (p. 2870). In the tourism and hospitality management literature, Hjalager (2010) asserted that "it should also be [*sic*] noted that innovation has become a buzzword which in many cases is used without deeper reflection for anything that is moderately novel" (p. 1). In part, the low degrees of novelty necessitated for implemented ideas to constitute innovations can be attributed to the overarching nature of innovations in this sector, with Pikkemaat and Peters (2006), for example, having stressed that "in terms of innovation and creativity the tourism industry is not a best practice industry" (p. 91). Likewise, Snyder et al. (2016) asserted that "the emphasis on 'new to the firm' [innovations] in service research strengthens the claim that service innovation frequently occurs through cumulative small changes in the offering" (p. 2406). While these definitions align in terms of the limited degrees of novelty necessitated for implemented ideas to constitute innovations, empirical analyses have set forth evidence to illustrate the presence of radical innovations in the tourism sector. For example, Martínez-Ros and Orfila-Sintes's (2009) analysis of 331 hotels situated in the Balearic Islands found that 50.76% of the hotels in the sample had implemented radical innovations. Likewise, Booyens and Rogerson's (2016) analysis of tourism organizations in South Africa revealed that from a sample of 156

organizations, 16.8% and 0.9% of these respective firms implemented new-to-market and world-first innovations. Therefore, although the frequency of incremental innovations seems to be more prevalent in these sectors, especially in the tourism sector, these definitions limit innovation to "the lowest level of novelty allowed by the Oslo Manual" (Booyens & Rogerson, 2016, p. 518). Thus, as such, these definitions do not fully capture the different degrees of novelty of innovation.

Aside from the preceding similarities, some differences in the definitions illustrated in Table 2.1 are also prevalent. First, scholars in the service innovation literature often conceptualize innovation to constitute new or improved service/s (see, for example, Biemans et al., 2016; Den Hertog et al., 2010; Durst et al., 2015; Kurtmollaiev & Pedersen., 2022; Toivonen & Tuominen, 2009), with the exception of Wooder and Baker's (2012) definition, that makes reference to technology innovations, business model innovations and demand innovations. Although innovation in the context of service organizations can occur in several different dimensions, e.g., products and processes (Snyder et al., 2016), Witell et al. (2016) suggested that the interchangeable use of the terminology service innovation with, for example, innovation in the context of service organizations, has led to ambiguity between the two terms. As a result, it is often difficult to distinguish whether a definition's focus is on service innovation as an outcome or innovation in the context of service organizations, leading to heightened conceptual confusion. In addition, the predominant focus of definitions on service innovation as opposed to other forms of innovation could be due to the emphasis researchers in the service innovation literature initially placed on accentuating "the development of the actual service offering and the factors that make services successful" (Carlborg et al., 2014, p. 381). This was done to overcome the emphasis researchers in the classical innovation literature placed on exploring product and process innovations

(Carlborg et al., 2014), which often occurred in manufacturing enterprises. Therefore, definitions of innovation in the context of service organizations tend to adopt a narrow approach towards innovation outcomes that severely limits the scope of innovation activities to one type of innovation, i.e., service innovation.

In addition, a subsequent shortcoming of these definitions is their reliance on the terms 'new' and 'newness', with these definitions neglecting to address what is considered new and to whom (Johannessen et al., 2001). As stressed by Toivonen and Tuominen (2009), conceptualizing innovation to merely comprise a new service is rather complex as 'newness' is a relative construct. In line with Witell et al.'s (2016) assertions, "the conceptualization of service innovation should extend beyond a new service for a firm and put real meaning behind the characteristic 'new'" (p. 2868).

On the other hand, in the tourism and hospitality management literature, although two definitions of innovation have associated this construct with new or improved services (Li et al., 2022; Ottenbacher et al., 2012), other definitions advanced in this field tend to make explicit reference to a number of innovation outcomes, e.g., product innovations, process innovations, delivery innovations and marketing innovations (see, for example, Baradarani & Kilic., 2018; Hernández-Perlines et al., 2019; Volo, 2006; Wikhamn et al., 2018), making conceptualizations in this field comparatively broad. In part, the expansive nature of the innovation outcomes advanced in the definitions stemming from the tourism and hospitality management literature can be attributed to Hjalager's seminal publications (2002, 2010), which both stressed innovation categorizations comprising more than just 'new services', e.g., process innovations, managerial innovations, management innovations and institutional innovations. Moreover, although the definitions of innovation advanced in the tourism and

hospitality management literature tend to account for a vast array of innovation types, Montresor (2018) stressed that:

> tourism research seems to have gone beyond a justifiable effort of differentiation [in innovation typologies]. Not only are the identified typologies different and/or rearranged with respect to the standard ones of innovation studies. But their identification has been pursued by diverging from them in some important methodological respects. (Montresor, 2018, p. 771)

Thus, although tourism researchers have contextualized innovation outcomes, with this reflected in some of the definitions advanced in Table 2.1 (Baradarani & Kilic., 2018; Hernández-Perlines et al., 2019; Volo, 2006; Wikhamn et al., 2018), this has come at the cost of conceptual clarity, with too many different types of innovation outcomes set forth in this domain of investigation and lack of dedicated measurement instruments.

A subsequent difference between the definitions of innovation set forth in the tourism and hospitality management literature and the definitions of innovation advanced in the service innovation literature, is that value creation appears to feature more often in definitions stemming from the service innovation literature (see, for example, Björk, 2014; Bitner et al., 2008; Den Hertog et al., 2010; Gustafsson et al., 2020; Helkkula et al., 2018; Toivonen & Tuominen, 2009; Wooder & Baker, 2012). This is a particularly interesting observation as the notion of value creation tends to be highly pervasive in the tourism sector, where tourists are generally active agents in the production process (Smith, 1994). On the other hand, the subjective nature of hospitality, which is often benchmarked by customers as relative to prior experiences and, which tends to be difficult to manage and assess (Smith, 1994), adds complexity to the notion value. This, in turn, can explain why some scholars in this field abstain from addressing value creation in their respective definitions of innovation and why

others refer to generic forms of value, e.g., market value (Jacob et al., 2003). On the other hand, one exception to this critique is Volo's (2006) definition of innovation, that specifically refers to experiential forms of value in the tourism experience, e.g., lower prices, more efficient services, etc.

When assessing the ascribed meaning of value in definitions of innovation stemming from the service innovation literature (Table 2.1), two distinct perspectives of value seem to be adopted. First, some scholars opt to refer to generic forms of value (Gustafsson et al., 2020; Helkkula et al., 2018) e.g., value for stakeholders (Gustafsson et al., 2020) and co-creational value (Helkkula et al., 2018), without providing any insight into the type/s of value generated. Alternatively, other scholars ground their definitions in more specific forms of value (Bitner et al., 2008; Björk, 2014; Wooder & Baker, 2012), e.g., augmented services (Wooder & Baker,2012) and improved customer experiences (Bitner et al., 2008; Björk, 2014). While value seems to be an essential by-product of innovation activities, with empirical evidence having illustrated that in the tourism sector innovations have led to market leadership positions (Lawson & Samson, 2001), enhanced organizational competitiveness (see, for example, Hernández-Perlines et al., 2019; Fernandes & Pires, 2021; Orfila-Sintes & Mattsson, 2009) and increased customer satisfaction (Hameed et al., 2021; Jacob et al., 2003), the specific type/s of value generated through innovations and the intended recipients of value creation activities remain rather generic in definitions of this construct.

Based on the discussions set forth above, the next section presents an overview of the salient points established. This is followed by a discussion on the shortcomings of the literature in tourism and hospitality management.

2.3.2 Summary and Research Gaps

Figure 2.1 Attributes of Innovation Identified Across Multiple Definitions

Attribute of Innovation	Description of Attribute
Ideation	Ideation marks the starting point of the innovation process, with ideas positioned to constitute the core resource necessitated for innovation activities.
Implementation	For creative ideas to be considered innovations they must be implemented/put to use in an organisation.
Degrees of novelty	For implemented ideas to constitute an innovation these ideas must be considered new to the organisation.
Innovation outcomes	The types of innovations implemented in service organisations tend to constitute new or improved services. In the tourism sector, the types of innovations implemented can include product, process, delivery and marketing innovations.
Value creation	In the service sector, innovations tend to generate stakeholder value, co-creational value and organizational value in the form of augmented services and improved customer experiences. In the tourism sector, innovations tend to generate market value and added value to the tourism experience.

(Source: Author)

Following an analysis of the definitions set forth in Table 2.1, five different attributes of innovation are described in definitions stemming from both the service innovation literature and the tourism and hospitality management literature, these are illustrated in Figure 2.1 above. Each of these five attributes was referred to by scholars to different extents. Thus, definitions of innovation tend to be atypical, in the sense that the attributes of innovation accounted for in these definitions tend vary. Based on these observations it is apparent that "innovation is not limited to a characteristic, property, or unique instance of a single variable" (Singh & Aggarwal, 2022), making consensus in this field difficult to attain.

When assessing the extent to which context has been accounted for in the definitions set forth in Table 2.1, a number of similarities in the definitions of innovation from the service

innovation literature and the tourism and hospitality management literature have been observed and outlined. In this respect, these definitions tend to converge on the role and the respective importance of ideation practices and implementation processes. Likewise, both literatures align in terms of the degrees of novelty necessitated for an implemented idea to be considered an innovation, with innovations considered to constitute anything that is new to a particular context.

Alternatively, these definitions were also found to differ in two aspects. First, innovation outcomes in the service innovation literature were often positioned to constitute new or improved services, limiting the scope of innovation activities to one type of outcome. On the other hand, in the tourism and hospitality management literature, innovation outcomes were comparatively vast and spanned numerous categories, e.g., product, process, deliver and marketing innovations. In addition, value creation was more frequently referred to in definitions stemming from the service innovation literature, however, in both literatures, the intended recipients and the specific types of value generated by way of innovations remains ambiguous and rather generic.

Based on these observations, the divergences between the service innovation literature and the tourism and hospitality management literature appear to be minimal. Furthermore, attributes specific to the tourism sector which include, for example, the perishability and intangibility of the tourism product (Işık et al., 2022), co-production processes with consumers (Smith, 1994), inter-firm knowledge sharing activities (Hjalager, 2010) and the notion of hospitality i.e., the attitude in which a task is performed (Smith, 1994), are not explicitly reflected in the definitions advanced in Table 2.1. In part, this shortcoming can be attributed to the fact that most of the definitions in the tourism and hospitality management

literature outlined in Table 2.1 have been established by way of theories and literature in other fields.

For instance, Li et al. (2022) depended on Gallouj and Weinstein's (1997) definition of recombination innovations to establish a definition of this construct. Likewise, Baradarani and Kilic (2018) and Chen (2011) applied conceptual foundations stemming from the service innovation literature to define innovation in tourism and hospitality organizations. In addition, Ottenbacher et al. (2012) merely set forth a definition of innovation with some reference attributed to Schumpeter. Likewise, Hernández-Perlines et al. (2019) relied on the strategic management literature to define innovation, and Wikhamn et al. (2018) rooted their definition of innovation in the OSLO manual. Moreover, Volo's (2006) definition, which is the most promising in terms of its level of contextualization, tends to focus on tourism experiences, and, while valuable, this definition solely accounts for one dimension comprising innovation, leading to a niche categorization of innovation in tourism and its respective attributes.

Due to these shortcomings, often, empirical analyses in the tourism and hospitality management literature bypass this issue by omitting to provide a definition of this construct, even when innovation is the focus of their respective analyses. A few examples of peer-review publications that have explored innovation without defining this construct include Enz and Way's (2016) analysis of postadoption innovation implementation strategies in European hotels. Kallmuenzer's (2018) investigation of innovation drivers in family-run hospitality firms, and Nicolau and Santa-María's (2013) investigation of the impact of innovation on hotel market value. Numerous examples of scholarly works that do not define innovation are prevalent in the tourism and hospitality management literature (see, for

example, Montalvan-Burbano et al., 2019; Pikkemaat & Peters, 2006; Rodríguez-Victoria et al., 2017; Tajeddini & Trueman, 2012; Valença et al., 2020; Ziyae et al., 2022). Further compounding this issue, a number of studies have sparingly miscited Hjalager's (2010) critique of the literature on innovation in tourism, and proposed the following excerpt as a definition of innovation: innovation in tourism and hospitality is "everything that differs from business as usual or which represents a discontinuance of previous practice in some sense for the innovating firm" (p. 2) (see, for example, Kallmuenzer & Peters, 2018; Meira et al., 2019). As a result of these shortcomings, definitions of innovation in the context of tourism and hospitality especially, boutique hotels, which represent a nascent phenomenon, are in need of contextualization to account for the key attributes of innovation in this sector. To address this gap in the literature, this study investigated the following research question:

> RQ1: How is innovation in boutique hotels in Malta perceived by practitioners, customers, and stakeholders in the local tourism industry?

The value of addressing this research question is two-fold. First, contextually sensitive definitions of innovation curated for specific applicability to one type of phenomenon (boutique hotels) are limited, with most definitions cultivated for sectorial suitability. This is a particularly valuable contribution to the tourism literature, where studies in this domain started to gain traction in the last 40 years (Kim et al., 2018). Given the literature's nascent state, this study acts as a first step towards presenting a highly detailed and situated perspective of innovation in boutique hotels based on the opinions of those who cultivate innovations, being practitioners, and those who experience innovations, being customers and stakeholders. Second, this research question addresses Hjalager's (2010) and Gomezelj's (2016) calls for contextualized investigations on innovation in the tourism sector. This

research question also broadens the literature relative to boutique hotels by presenting a situated characterization of this construct.

Although the definitional positioning of innovation represents one element constituting innovation's multi-dimensional nature, the next section reviews the literature on the innovation process.

2.4 Innovation Process

This section discusses the literature on the innovation process based on two distinct streams of research. First, it explores and discusses various models of the innovation process. Second, it discusses the innovation process from the perspective of the dynamic capabilities approach, with a specific focus on knowledge-based dynamic capabilities. Following these discussions, the conceptual multi-level knowledge-based model of innovation in tourism and hospitality organizations is advanced. This model serves as a foundation for investigating RQ2 and RQ3.

2.4.1 Process Models of Innovation

Innovation process models symbolize illustrative tools that depict the practices and processes organizations apply to cultivate ideas and establish innovation outcomes (Tidd & Bessant, 2014). The scope of these models is to represent innovation in a realistic and testable manner (Gupta, 2018). According to Marinova and Phillimore (2003):

> in addition to explanatory power, an extremely important aspect of any model is its predictive potential. If a model is a relatively accurate representation of reality, the traditional scientific approach expects it to also deliver forecasts and predictions of future parameter values. (Marinova & Phillimore, 2003, p. 50)

Therefore, models of the innovation process are generally established to better facilitate the strategic management of innovation activities in organizations and to concurrently aid policymakers develop regulations aimed at stimulating innovation (Marinova & Phillimore, 2003). To date, numerous innovation process models have been set forth in the innovation

literature. Especially in the classical innovation literature (see, for example, Cooper, 2008; Nonaka, 1994; Tidd & Bessant, 2014), where empirical analyses have evolved through six different generations of models, e.g., technology push models, market (need) pull models, coupling models and open innovation models (Meissner & Kotsemir, 2016). Some models have also been advanced in the service innovation literature (see, for example, Hollebeek & Andreassen, 2018; Toivonen & Tuominen, 2009), and a few models have been developed in the tourism and hospitality management literature (see, for example, Custódio Santos et al., 2020; Nordin & Hjalager, 2017). However, comparatively, in this domain of inquiry [tourism] "much is lacking in terms of an overall understanding of innovation processes" (Nordin & Hjalager, 2017, p. 166). Moreover, although *"coming up with good ideas is what human beings are good at; our brains are fitted with this facility as standard. But taking those ideas forward is not quite so simple"* (Tidd & Bessant, 2014, p. 10). This is partly attributable to the multi-phase nature of the innovation process, which comprises "inputs, intervening processes, and outcomes" (Singh & Aggarwal, 2022, p. 186).

The complexity of the innovation process is evidenced by the number of phases or steps constituting innovation process models, with notable divergences present in the literature. For example, Tidd and Bessant (2014) conceptualized innovation to comprise a four-stage process. For Nonaka (1994), the innovation process constituted five-stages with six enabling conditions (intention, chaos, motivation, autonomy, redundancy, and requisite variety). According to Toivonen and Tuominen (2009), in service organisations innovation occurrs through three different paths, leading to three distinct models, these are the R&D model, the model of rapid application, and the practice-driven model. By applying the lens of service-dominant logic, Hollebeek and Andreassen (2018) conceptualized innovation to constitute a three-phase process comprising eight sub-processes. In the tourism literature, innovation

process models generally constitute four-phase processes (see, for example, Custódio Santos et al., 2020; Nordin & Hjalager, 2017).

Based on these observations, innovation process models are rather heterogeneous. This is due to the degree of variation present in the number of steps/phases comprising these models, the diverse factors these models account for account for, e.g., enabling conditions, and the number of sub-processes comprising each model. These observations also illustrate that there is no agreed-upon structure for depicting the innovation process.

Notwithstanding these divergences, however, innovation process models generally account for four key stages/processes, these are problem recognition practices, idea generation processes, testing activities and implementation practices. These are illustrated in Figure 2.2 below and discussed in the forthcoming section.

Figure 2.2 Steps in the Innovation Process
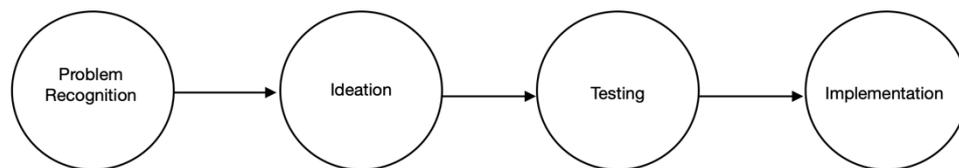
(Inspired by: Amabile & Pratt, 2016; Custódio Santos et al., 2020; Cooper, 2008; Nordin & Hjalager, 2017; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009)

Generally, the innovation process is stimulated by problem recognition practices, such as search processes and R&D driven activities, e.g., the acquisition of information (Cooper, 2008), the recognition of new market needs, scientific discovery practices, the identification of organizational goals or problems (Amabile & Pratt, 2016), and deliberate scanning practices (Tidd & Bessant, 2014). Models specific to the service innovation literature outline that innovation in this context is generally driven by the emergence of an idea or by a change in service practices (Toivonen & Tuominen, 2009). Hollebeek and Andreassen (2018) conceptualized that innovations in service organizations generally depend on antecedent conditions, these include an organization's resources, e.g., financial capital, organizational vision, culture, etc., and customers, with customers believed to play a core role in co-designing services. In the tourism literature, the innovation process appears to be stimulated by interactions with customers, stakeholders, suppliers, and cooperating partners (Nordin & Hjalager, 2017). At the ecosystem level, innovations in tourism are generally catalysed by collaborative interactions between tourism actors. In this scenario, problem recognition occurs *via* networks, where purposeful actions are undertaken to orchestrate problem recognition (Custódio Santos et al., 2020). Based on this discussion, the key process responsible for inciting innovation is problem recognition. However, this discussion has also demonstrated that, as such, in different contexts, problem recognition occurs *via* different paths and methods. For example, in the tourism sector, innovation appears to be contingent on interactions with market actors and customers, i.e., collaborative activities. Alternatively, in the manufacturing sector, innovation tends to depend on formalized practices, e.g., R&D activities (Cooper, 2008). These observations illustrate that the methods and practices used to stimulate innovation tend to vary by context.

Following problem recognition, the next phase of the innovation process comprises ideation (Amabile & Pratt, 2016; Cooper, 2008). During this phase, solutions, i.e., ideas, are generally established to solve problems or acquire an objective (Amabile & Pratt, 2016). Ideation tends occurs through numerous practices, including the merging of ideas/minds, brainstorming activities, synergies, and systematic idea development practices (Hollebeek & Andreassen, 2018). This phase tends to be facilitated by a creative organizational culture (Curmi & Sammut-Bonnici, 2014). According to Amabile and Pratt (2016), during the creativity stage, individuals generally prepare the knowledge, skills and information required to solve a problem. If an individual possesses domain-relevant skills, then the amount of time required for preparation will be brief and *vice versa* (Amabile & Pratt, 2016). Following preparation, individuals generally develop "one or more possibilities for solving the problem or meeting the goal" (Amabile & Pratt, 2016, p. 164). In the context of service organisations, in situations where a change in service practices has already been implemented, this is generally followed by a process of "finding the idea" (Toivonen & Tuominen, 2009, p. 899). According to Nonaka (1994), the ideation process typically occurs through five steps, these are the enlargement of individual knowledge, the sharing of tacit knowledge, conceptualization and crystallization, justification, and network knowledge. It is relevant to note that the degree of detail scholars attribute to the fuzzy front-end of the innovation process, i.e., ideation, tends to diverge rather considerably. For example, Tidd and Bessant (2014) merely refer to "search" processes, which reflects the point at which an individual asks, "how can we find opportunities for innovation" (p. 87). Toivonen and Tuominen (2009) refer to ideation, however, these authors do not detail what this activity constitutes. On the other hand, both Amabile and Pratt (2016) and Nonaka (1994), for example, present illustrative and in-depth overviews of ideation practices, with these practices comprising complex individual-level actions that generally involve transformations to knowledge

resources. Other authors (see, for example, Custódio Santos et al., 2020; Toivonen & Tuominen, 2009) bundle problem recognition processes and idea generation practices, leading to an inextricable link between these activities. This discussion illustrates that ideation can occur by way of numerous paths and practices, with idea generation capable of ensuing in a structured manner *via*, for example, brainstorming, or in an unstructured manner *via* customer interactions (Hollebeek & Andreassen, 2018; Toivonen & Tuominen, 2009). Therefore, this process tends to differ depending on the context and the unique culture in which ideation occurs. Based on the literature, idea generation tends to depend on transformations to knowledge resources and it generally occurs at the individual-level.

Following ideation, some models accentuate that ideas are then subject to testing (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Custódio Santos et al., 2020; Hollebeek & Andreassen, 2018). For example, according to Custódio Santos et al. (2020), in tourism ecosystems, during the testing phase, stakeholders generally combine resources to assess the viability of an idea or project. This occurs through several different types of analyses, e.g., technical analyses, legal analyses, financial analyses, and market analyses (Custódio Santos et al., 2020). In the context of manufacturing organizations, porotypes are generally established to test an idea in collaboration with customer (Cooper, 2008). In service organisations, testing ideas generally occurs through customer feedback (Hollebeek & Andreassen, 2018). Although the testing phase of the innovation process is accounted for in several innovation process models (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Custódio Santos et al., 2020; Hollebeek & Andreassen, 2018), in other models, this process is omitted (see, for example, Nordin & Hjalager, 2017; Toivonen & Tuominen, 2009). For example, based on a case study of Icehotel, Nordin and Hjalager's (2017) results demonstrate that the hotel immediately transitioned from ideation to implementation. Likewise, Toivonen

and Tuominen's (2009) empirical analyses of service organizations revealed that ideas were, oftentimes, imminently launched onto the market. These observations infer that although testing ideas seems to occur in both service and manufacturing organizations, the types of analyses used to test ideas often diverge. Furthermore, these observations also illustrate that while manufacturing enterprises generally test ideas *via* formalized structures, i.e., prototyping (Cooper, 2008), in service organizations and accommodation provisions (see, for example, Nordin & Hjalager, 2017; Toivonen & Tuominen, 2009), testing is not guaranteed to occur, however, if it does, it either occurs in close collaboration with customers (Hollebeek & Andreassen, 2018) or through several different types of analyses.

The launch phase is often acknowledged to comprise the final phase of innovation process models. Here, ideas are generally implemented into organizational infrastructures and introduced to the market (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Custódio Santos et al., 2020; Hollebeek & Andreassen, 2018; Nordin & Hjalager, 2017; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009). During this phase, innovations are generally contingent on the resources of an organization and a leader's tolerance towards risk and new ideas (Amabile & Pratt, 2016).

2.4.2 Summary and Research Gaps

The preceding discussion illustrates that innovation process models tend to converge on four processes, these are problem recognition practices, idea generation processes, testing activities and implementation practices. Each of these four innovation processes, although central to innovation activities, tends to diverge according to the context considered by different authors in their research, e.g., manufacturing *versus* service contexts, while the methods through which each process is executed seems to be heterogeneous. Leading to idiosyncratic models defined by diverging micro-level activities.

In the specific context of service organizations, innovation is believed to occur either spontaneously or methodically (Hollebeek & Andreassen, 2018; Toivonen & Tuominen, 2009) and, in the case of accommodation provisions, the innovation process is portrayed as relatively linear, contingent on external actors and rather rapid (Nordin & Hjalager, 2017).

Moreover, the innovation process models advanced in the literature (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Custódio Santos et al., 2020; Hollebeek & Andreassen, 2018; Nordin & Hjalager, 2017; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009) illustrate that innovation tends to be contingent on both individual-level activities and organizational-level processes. In this regard, while certain scholars position the innovation process as contingent on organization-level routines (Cooper, 2008; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009), alternate positionings in the literature suggests that the foundations of innovation are individual-level or team-level creative capabilities (Amabile & Pratt, 2016; Nonaka, 1994). These observations indicate that the innovation process tends to occur on multiple levels.

Furthermore, these models also demonstrate that although creative capabilities are necessitated for organizational innovation, generally, the underlying resource required for both creativity and innovation is knowledge (Amabile and Pratt, 2016; Galanakis, 2006; Tekic et al., 2011). Amabile and Pratt (2016), for example, asserted that the basic raw materials for creative processes includes "one's expertise or factual knowledge about the domain, technical skills for doing work and advancing one's knowledge in the domain, and special domain-relevant talents" (p. 160). Peschl and Fundneider (2014) stated that "looking more closely and investigating the causes behind innovations reveals that a highly complex knowledge process can be found to be at the root of every innovation" (p. 347). Similarly, Galanakis (2006) positions knowledge creation as a necessary pre-condition for innovation. Due to the role of knowledge resources in the innovation process, Nonaka and Takeuchi (1995) expressed that "to explain innovation, we need a new theory of organizational knowledge creation" (p. 56). Therefore, notwithstanding the idiosyncrasies prevalent within these models, knowledge resources emerge as central to the innovation process.

While the literature on the innovation processes is relevant as it can aid practitioners better manage innovation and it can concurrently facilitate regulators develop relevant policies, in the tourism literature, only a paucity of models have been set forth (see, for example, Custódio Santos et al., 2020; Nordin & Hjalager, 2017). Although these models enrich the literature by outlining the novel characteristics of the innovation process in tourism enterprises, Nordin and Hjalager's (2017) model is based on one case study and, therefore, the results produced by this study are rather limited in terms of their generalizability. In addition, this model neglects to account for any alternative processes and practices deployed in accommodation provisions to cultivate and implement innovations (Nordin & Hjalager, 2017). This results in a narrow understanding of innovation. When assessing Custódio

Santos et al.'s (2020) innovation process model, the focus adopted by the authors on ecosystem-level innovation presents a restricted understanding of innovation practices at the firm- and the individual-level, leading to an incomplete picture of innovation. In addition, since Custódio Santos et al.'s (2020) model was established by way of the literature on tourism product development, this model requires empirical validation, implying that the degree to which this model represents reality requires further investigating.

Although two decades ago Hjalager (2010) stressed that "there is an incomplete understanding of how innovation processes take place in tourism enterprises and organisations" (p. 9), it appears that the uptake of research on this specific topic has remained rather limited. For example, more recently, Nordin and Hjalager (2017) stated that the innovation process, especially in tourism enterprises, "can still be characterized as an emerging field" (p. 166).

To address this gap in the literature, this research explored the following research question:

> RQ2: What are the micro-foundation practices that are applied to transform knowledge resources into innovations in boutique hotels in Valletta, Malta?

By addressing RQ2, this study aimed to extend the literature on the innovation process in tourism and hospitality management by considering the movement and evolution of one core resource, that is knowledge. By exploring the innovation process in boutique hotels, this research sought to illustrate the different ways in which boutique hotels operationalize knowledge resources to establish productive outputs, i.e., innovations.

As outlined in RQ2, this study proposes focusing on knowledge resources and micro-foundation practices as a means to investigate the innovation processes in boutique hotels. The rationale for this is two-fold.

First, as outlined earlier in this discussion, if innovation is "the application of knowledge to produce new knowledge" (Drucker, 1993/2012, p. 190) then, the key to understanding the innovation process lies in investigating how transformations to knowledge resources occur and how they lead to innovation. By adopting this viewpoint, this research aligns with Nonaka and Takeuchi's (1995) position that to better understand innovation, emphasis should be placed on investigating knowledge resources. Moreover, the rationale for rooting this study in knowledge resources is based on the preceding review of the literature, which demonstrated that knowledge resources were a key requirement for innovation processes (see, for example, Amabile and Pratt, 2016; Galanakis, 2006; Nonaka & Takeuchi, 1995; Peschl & Fundneider, 2014; Tekic et al., 2011).

Second, given the multi-level nature of the innovation process, with innovation contingent on practices and processes executed at both the individual-level (Amabile & Pratt, 2016; Nonaka, 1994) and the organizational-level (Cooper, 2008; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009), focusing on micro-foundation processes provides a framework to investigate how individuals, their attributes, decision rights and collaborations impact firm-level outcomes (Foss & Linder, 2019). Therefore, by exploring micro-foundation processes, this research is provided with a framework to assess the micro-level actions and practices upon which firm-level capabilities are developed.

This section focused on the innovation process by critically discussing the literature on innovation process models. Due to the multi-level nature of innovation, however, the firm-level capabilities used to transform knowledge resources into innovation outcomes have not been addressed. The next section sets forth a critical discussion on knowledge-based dynamic capabilities. The aim of this section is to illustrate how firm-level mechanisms are applied in tourism organizations to transform knowledge resources into innovation outcomes.

2.4.3 Knowledge Resources and Dynamic Capabilities

According to Hjalager (2010), "in order to influence innovation processes, knowledge has to be captured, made explicit and properly understood, interpreted, restored, adapted into specific innovations and recoded" (p. 6). Following economic globalization and the advent of knowledge-intensive business services (Martín-de Castro et al., 2011) increasingly, knowledge has been positioned to constitute the preeminent resource necessitated for both competitivity and economic production in organizations (Dean & Kretschmer, 2007).

In the tourism sector, where innovation is "a visible result of the ability to generate knowledge, and its utilization, combination, and synthesis" (Camisón & Monfort-Mir, 2012, p. 777), the relevance of knowledge has been illustrated in several analyses. For example, in Egyptian hotels, Salem's (2014) research demonstrated that knowledge management practices positively influenced both innovation and hotel performance. In thermal hotels located in Turkey, augmented knowledge resources led to competitive advantages and improved service quality (Baytok et al., 2014). In hospitality organizations in Spain, practices aimed at diffusing knowledge facilitated the efficient and effective administration of new knowledge and the development of competitive advantages (Iebra Aizpurúa et al., 2011). Ubeda-Garcia et al.'s (2021) analysis demonstrated that internationalization practices and innovation in chain-owned hotels in Spain were contingent on mechanisms for managing knowledge. Donate et al.'s (2023) analysis of inland hotels in Spain illustrated that knowledge resources positively and significantly impacted innovation capabilities. With knowledge positioned to constitute "the most strategically-significant resource of the firm" (Grant, 1996b, p. 375), exploring innovation by way of knowledge resources has become a burgeoning domain of inquiry (see, for example, Grant, 1996a,1996b; Nonaka, 1994;

Nonaka et al., 1996; Nonaka et al., 2000; Nonaka & Takeuchi, 1995; Spender, 1996; Szulanski, 1996; Un & Cuervo-Cazurra, 2004).

In the strategic management literature, "the dynamic capabilities view is linked to service innovation and can be regarded as service innovation's theoretical precursor" (Ziyae et al., 2022, p. 584). According to Teece and Al-Aali (2012), "the (dynamic) capabilities framework, which posits that knowledge assets and their (dynamic) management have become central to profit maximization in an era of globalized commerce and information, suggests a new theory of the firm" (p. 524). According to this theoretical framework, to adapt to dynamic environments, organisations must develop their knowledge through "a series of stages chained in a recursive cycle" (Zollo & Winter, 2002, p. 343). By way of routinised institutional structures for transforming knowledge resources, organisations can "integrate, build, and reconfigure internal and external competences to address rapidly changing environments" (Teece et al., 1997, p. 516).

Teece (2007) disaggregated dynamic capabilities into three key capacities, these are sensing capabilities, which refer to the capacity of organizations to identify opportunities and adapt to threats. The seizing capacity, which reflects the ability of organizations to tactically seize opportunities, and the reconfiguration capability, which refers to the capacity of organizations to manage competitiveness by way of improving, connecting, safeguarding and, when required, reconfiguring the firm's intangible and tangible asset bases (Teece, 2007). Teece (2007) also suggested that by way of dynamic capabilities organizations can modify their ecosystems, generate new products and create or adjust business models. Making these capabilities central to innovation.

As knowledge resources increasingly feature as integral to the innovation process (see, for example, Dean & Kretschmer, 2007; Galunic & Rodan, 1998; Quintane et al., 2011), emphasis in the literature has been attributed to knowledge-based dynamic capabilities (KBDCs). These (KBSCs) capabilities refer to "a firm's ability to acquire, create, and combine knowledge to identify and exploit opportunities while addressing the dynamics of environmental changes" (Bindra et al., 2023, p. 65). In particular, emphasis in the literature has been placed on two KBDCs, these are absorptive capacity and combinative capabilities.

2.4.3.1   Absorptive Capacity and Innovation

Absorptive capacity refers to the ability of a firm to "recognize the value of new, external information, assimilate it, and apply it to commercial ends" (Cohen & Levinthal, 1990, p.128). This capacity enables organizations to survive selection pressures by exploiting knowledge acquired from the external environment (Jansen et al., 2005), making this capacity relevant to innovation activities (Cohen & Levinthal, 1990). Absorptive capacity is often conceptualized to comprise four distinct capacities, these are acquisition capabilities, assimilation capabilities, transformation capabilities and exploitation capabilities (Zahra & George, 2000).

Similar to Teece's (2007) sensing capability, acquisition capabilities reflect the ability of an organization to "identify and acquire externally generated knowledge that is critical to operations" (Zahra & George, 2000, p. 189). Therefore, this capacity contributes towards innovation by providing a basis to recognize relevant knowledge that can potentially stimulate ideation activities. Following acquisition, assimilation is believed to occur (Zahra & George, 2000). This process refers to routines established to interpret and understand

externally derived knowledge (Zahra & George, 2000). It is relevant to note that if externally derived knowledge is closely related to prior knowledge, then assimilation occurs rapidly (Cohen & Levinthal, 1990). If assimilation occurs, this negates the need for transformation capabilities (Todorova & Durisin, 2007). On the other hand, complex knowledge that is unrelated to prior knowledge tends to require transformation (Todorova & Durisin, 2007). According to Tordova and Durisin (2007), "in the case where new situations or ideas cannot realistically be altered to fit the existing knowledge structures. New knowledge cannot be assimilated" (p. 778), leading to transformation. Assimilation and transformation capabilities bear some degree of similarity to reconfiguration capabilities (Teece, 2007). In this respect, these processes are predominantly concerned with augmenting knowledge resources *via*, for example, knowledge sharing routines, meetings and learning technologies (Gold et al., 2001; Vallaster et al., 2021). The final capability, exploitation, refers to the application of knowledge, this results in new goods, products and, sometimes, organizational structures (Zahra & George, 2000). Exploitation capabilities in the absorptive capacity framework resemble what Teece (2007) refers to as the seizing capability.

A number of studies have been set forth in the literature to illustrate the positive relationship between absorptive capacity and innovation outcomes in the tourism sector. For example, Hoarau's (2014) analysis of three Icelandic-based tourism organizations revealed that when organizations opened-up to their external environment, they were generally more likely to acquire new knowledge. Moreover, the author's results also illustrated that innovation in the investigated nature-based tourism organizations was largely facilitated by relational ties to NGOs, similar organizations, biologists and local and international networks (Hoarau, 2014). Hoarau's (2014) results also demonstrated that despite the differences in the knowledge sets of network members, tourism organizations were able to absorb knowledge

from, for example, scientists through cooperative interactions and the direct sharing of tacit knowledge. Last, Hoarau's (2014) research also concluded that customers in nature-based tourism organizations acted as a key source of innovation and played a core role in collaboratively producing new knowledge with the sampled organizations.

With a similar focus to that of the previous study, Nieves et al.'s (2014) analysis of accommodation provisions in Spain revealed that declarative knowledge as well as the relational ties of managers to external actors significantly and positively impacted product, process and marketing innovations. Thus, the authors concluded that, "the introduction of innovations in hotel companies is essentially linked to knowledge existing beyond organizational boundaries" (Nieves et al., 2014, p. 70). While Nieves et al.'s (2014) research demonstrated that knowledge resources were a critical determinant of innovations in hotels, the authors findings also revealed that absorptive capacity was not necessary for innovation in this particular sector, with the non-technical nature of innovations allowing for the effortless comprehension, assimilation, and exploitation of knowledge.

 Thomas and Wood's (2014) research on absorptive capacity in 259 hotels located in the United Kingdom revealed that the most important type of knowledge for strategic flexibility, innovation and performance in hotels was knowledge derived through relational sources, such as networks. In addition, learning from past experiences and organizational mechanisms aimed at social integration played an important role in ensuring that knowledge was effectively applied in hotels (Thomas & Wood, 2014). Pace's (2016) analysis on the influence of intra-organizational capabilities on absorptive capacity in Maltese hotels revealed that absorptive capacity in Maltese hotels was generally dependent on established routines for sensing intra-organizational signals concerning energy consumption, and on the

ability to seize value through investing in energy innovations which promote operational performance. Furthermore, Maltese hotels with high levels of potential absorptive capacity (knowledge acquisition and assimilation processes) were found to have close relational ties with engineering consultants, this enabled them to acquire information concerning energy efficient technologies and to aptly learn the processes necessary to integrate these technologies into the organization's infrastructure (Pace, 2016). Due to these results, Pace (2016) claimed that "the extent to which this knowledge is actually exploited to modify practices in the operations is dependent on the capability to seize value and recognize opportunities from energy innovations" (p. 415).

Similarly, Binder's (2020) analysis of the impacts of network relationships on absorptive capacity in 378 hotels located in Austria revealed that participation in networks and the quality of network relationships positively and significantly impacted the abilities of hotels to acquire knowledge. Binder's (2020) results also demonstrated that variables such as a hotel's size, age and chain affiliation did not impact the ability of the investigated hotels to acquire knowledge. On the other hand, Binder's (2020) results illustrated that hotel size positively impacted knowledge assimilation, and the age of the respective hotel negatively influenced knowledge exploitation.

With an individual-level focus, Chang et al.'s (2018) empirical investigation of front-line employees situated in two hotels located in Hong Kong and Guangzhou, China, demonstrated that employee innovative behaviours were contingent on individual-level psychological outcomes, specifically, an employee's readiness for change and absorptive capacity. Furthermore, the authors' results also illustrated that high-investment human resource practices indirectly influenced the innovative behaviours of employees, suggesting

that practices such as performance appraisals and continuous training, etc., increase absorptive capacity and positively impact the individual-level innovation capabilities of personnel (Chang et al., 2018).

Similar to the previous study, Gürlek's (2021) quantitative investigation of personnel in four- and five-star hotels located in Istanbul and Antalya, Turkey, illustrated that high-performance human resource practices including, for example, selective staffing, extensive training programs, appraisals, and reward systems, positively impacted the intellectual capital in the investigated hotels. In turn, the author also found that intellectual capital exerted a positive impact on absorptive capacity, while this form of capital was also found to enhance explorative and exploitative strategies, which represent necessary pre-requisites for innovation (Gürlek, 2021). Li et al.'s (2022) analysis of front-line employees in chain owned hotels located in the Yangtze River Delta urban agglomeration, revealed that customer requests that deviated from the norm stimulated experience assimilation, concept transformation and inertia change in front-line employees. The authors' findings also demonstrated that experience assimilation, concept transformation, inertia change and cost assessment, positively impacted service performance (Li et al., 2022). Based on these results, the authors' concluded that fuzzy requests set forth by customers positively impacted service performance by providing a basis for learning, thereby increasing the absorptive capacities of front-line employees (Li et al., 2022).

Thanh and Tran's (2023) analysis of several different types of employees, including front office employees, room service employees, butlers, food and beverage personnel and employees in business and marketing, in international hotels located in Vietnam, revealed that both leader encouragement for creativity and knowledge sharing among peers

significantly and positively impacted employee creativity. This, in turn, positively influenced employee performance (Thanh & Tran, 2023). In addition, Thanh and Tran's (2023) findings illustrated that absorptive capacity moderated, in a positive and significant manner, the correlation between employee performance and creativity. Based on these findings, the authors concluded that "the effect of creativity on service performance [in employees] becomes stronger when absorptive capacity is higher. This moderating effect implies that creativity is an important source of the generation of service performance under the condition of high absorptive capacity" (p. 283). With a focus on the firm-level, Hameed et al.'s (2021) analysis of the five-star chain Pearl-Continental Hotels & Resorts located in Pakistan, concluded that external knowledge positively impacted open innovation performance and service innovation. Based on these findings, Hameed et al. (2021) claimed that "it is important for hotel management to initiate various practices leading to the promotion of firms' open innovation performance and service innovation" (p. 10).

While absorptive capacity tends to focus on the acquisition, assimilation, transformation and exploitation of externally derived knowledge, this capacity does not account for innovation *via* intra-organizational knowledge combinations, also knowledge as combinative capabilities. These are discussed in the upcoming section.

2.4.3.2 Combinative Capabilities and Innovation

Combinative capabilities refer to the ability of organizations to "synthesize and apply current and acquired knowledge" (Kogut & Zander, 1992, p. 384). The key function of combinative capabilities is to stimulate knowledge exchange within and across organizational boundaries through the coordination of both communication and social interactions (Jansen et al., 2005). The outcome of combinative capabilities is enriched ideation practices and innovation (Jansen et al., 2005). It is relevant to note that combinative capabilities share some common characteristics with the assimilation and transformation capabilities in the absorptive capacity framework, with these capacities also contingent on knowledge sharing. In the case of combinative capabilities, however, emphasis is attributed to intra-organisational knowledge creation *via* reconfiguring and re-combining established knowledge (Kogut & Zander, 1992).

Several studies have been advanced in the literature to illustrate the positive relationship between combinative capabilities and innovation in tourism organizations. For example, Tang et al.'s (2015) quantitative analysis of international tourist hotels situated in Taiwan revealed that network ties, a culture defined by trust and shared vision, exerted a positive and significant impact on knowledge sharing in hotels. The authors' findings also demonstrated that knowledge sharing was positively correlated with service innovation capabilities (Tang et al., 2015). Based on the results of their analysis, the authors claimed that "by encouraging knowledge sharing, hotels can transform the innovation potentials of social capital into actual service innovation capability" (Tang et al., 2015, p. 109), making intra-organizational knowledge sharing practices particularly relevant for innovation in hotels.

Sørensen and Jensen's (2015) analysis of value creation and knowledge development in a retro furnished boutique hotel in Copenhagen revealed that unstructured interactions with customers led to an increase in the knowledge bases of front-line personnel regarding room preferences, hotel experiences, etc. Through this knowledge, personnel in the hotel were able to develop new experiences for customers to enjoy, e.g., trending activities, exhibitions and entertainment (Sørensen & Jensen, 2015). According to Sørensen and Jensen (2015), through the new procedures for experiential service encounters, "the knowledge created in experience encounters immediately led to improved guest experiences. Furthermore, some of the knowledge led to ideas about situated innovations for new processes and facilities that may enhance the guest experience" (p. 342).

Santos-Vijande et al.'s (2018) research on collaborative service development between customers and hotels in Spain demonstrated that incorporating customer knowledge and feedback into new service development processes generally resulted in more successful service innovations and enhanced competitiveness. Moreover, Santos-Vijande et al. (2018) claimed that "NSD [new service development] speed allows the ready incorporation of the market information and customer feedback, as well as the faster design of service innovations with differentiating characteristics that customers value more highly" (p. 319).

Sa et al.'s (2020) empirical analysis of small hotels located in five tourism regions in Malaysia revealed that both customer orientation and knowledge creation processes exerted a positive impact on firm performance. Moreover, the authors' findings also illustrated that the more customer-oriented a hotel was, the more committed the entrepreneur generally was to knowledge creation practices (Sa et al., 2020). In turn, knowledge creation practices were found to exert a positive impact on organizational performance (Sa et al., 2020). Based on

these results, Sa et al. (2020) concluded that "when the small hotels participate in the spiral of knowledge creation, the tacit knowledge combined with the external environmental information enable entrepreneurs to optimise their resources and enhance firm performance" (pp. 71-72).

Shamim et al.'s (2021) quantitative analysis of big data driven knowledge creation practices in hotels located in major cities in Pakistan, demonstrated that knowledge created through big data exerted a positive and significant impact on service innovation. Likewise, the authors' research also revealed that knowledge generated by way of big data positively impacted customer-generated hotel ratings, while service innovation positively correlated with customer-generated ratings (Shamim et al., 2021). Based on these results, Shamim et al. (2021) claimed that "big data enables hotels to understand their customers through knowledge creation and that knowledge assists the hotels to enhance their service innovation, which ultimately results in higher online customer ratings" (p. 10).

Franco et al.'s (2022) qualitative analysis of hotel Borgo Egnazia in Itria Valley, Italy, illustrated that the hotel strategically established combinative capabilities with members of the wider tourism ecosystem in the region to develop innovative products. According to Franco et al. (2022), "Borgo Egnazia has built its entire proposition on innovative products that are combinations of traditional elements sourced from different members of their local community" (p. 3449). Borgo Egnazia's combinative capabilities were reflected in the hotel's capacity to source and select unique raw materials from local suppliers, leading to novel combinations of, in this case, gastronomic flavours. This provided the hotel with a unique value proposition, product differentiation, and it was also found to benefit the wider travel destination (Franco et al., 2022).

Absorptive capacity and combinative capabilities represent relevant firm-level mechanisms applied in tourism enterprises to transform knowledge resources into innovation outcomes. By way of these capabilities, tourism enterprises can sense opportunities for change, they are able to react by combining and re-combining knowledge resources, and they are able to yield value from ideas by way of implementing innovations.

2.4.4 Summary and Research Gaps

Based on the previous discussion, in tourism enterprises, knowledge resources, their evolution and subsequent exploitation by way of firm-level KBDCs reflect key capacities necessitated for innovation (see, for example, Gürlek, 2021; Li et al., 2022; Sa et al., 2020; Santos-Vijande et al., 2018; Thanh & Tran, 2023). Although KBDCs represent fundamental mechanisms necessitated to cultivate innovation in tourism enterprises, empirical analyses in this field tend to suffer certain shortcomings. For example, most of the literature on KBDCs tend to investigate capabilities in isolation, leading to a fragmented understanding of whether and how these capabilities are cultivated simultaneously in tourism enterprises (see, for example, Hameed et al., 2021; Hoarau, 2014; Nieves et al., 2014; Sørensen & Jensen, 2015; Thomas & Wood, 2014).

Moreover, the overreliance of empirical investigations in this domain on the positivist methodology only allows for a statistical understanding of firm-level KBDCs and innovation (see, for example, Binder, 2020; Chang et al., 2018; Gürlek, 2021; Nieves et al., 2014; Sa et al., 2020; Santos-Vijande et al., 2018; Shamim et al., 2021; Tang et al., 2015; Thomas & Wood, 2014). This approach diminishes the relationship between knowledge resources and innovation to "casually related variables" (Jarzabkowski, 2005 p. 2). According to

Jarzabkowski (2005), "despite considerable research, dynamic capabilities still fail to deliver a coherent account of strategy-making" (p. 6). Abell et al. (2008) asserted that due to these shortcomings, capabilities have come to represent "shorthand for complicated repetitive patterns of individual action and coordinated interaction" (p. 490), "because scholars may not always want to make explicit reference to complicated underlying patterns of actions" (Abell et al., 2008, p. 492). Therefore, research in this field seldom demonstrates the institutional practices cultivated to establish KBDCs, making these capabilities rather ambiguous. As a result, Nooteboom (2022) claimed that "the theory of DCs [dynamic capabilities] needs to explain how this reconfiguration and transforming of competence works" (p. 3).

In addition, a subsequent shortcoming of the literature on KBDCs is the fact that firm-level capabilities for reconfiguring knowledge are seldom linked to micro-foundation practices. According to Abell et al. (2008):

> we are worried that the absence of micro-foundations in the capabilities view may contribute to a disappearing mandate for strategic management. In other words, the possibility of strategic action may become obscured by putting for too much emphasis on firm-level constructs, such as routines and capabilities. (Abell et al., 2008, pp. 498-499)

Therefore, although KBDCs have been empirically validated as relevant to innovation, empirical analyses in this domain have yet to address the link between micro-foundation practices, institutional structures and firm-level capabilities. To assess the multi-level nature of the innovation process in boutique hotels from a knowledge-based perspective, this research investigated the following research question:

RQ3: What are the firm-level knowledge-based dynamic capabilities that are applied to systematically transform knowledge resources into innovations in boutique hotels in Valletta, Malta?

By investigating RQ3, this study aimed to present a granular, holistic and multi-level interpretation of innovation in boutique hotels in Valletta, Malta. The value of addressing this research question is two-fold. First, the application of KBDCs in boutique hotels represents a novel context of exploration, with few studies reported to be conducted on this topic in this particular context, e.g., Sørensen and Jensen (2015). Second, by addressing both RQ2 and RQ3, this study aims to demonstrate how innovation occurs on multi-levels, this approach bridges the extant gap in the literature on innovation process models, where scholars have either adopted an individual-level focus of innovation (Nonaka, 1994) or a firm-level focus of innovation (see, for example, Cooper, 2008; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009).

To explore RQ2 and RQ3, the following Section proposes a conceptual multi-level knowledge-based model of innovation in tourism and hospitality organizations.

2.4.5 Multi-Level Knowledge-Based Model for Innovation in Tourism and Hospitality Organizations

This section presents and discusses the conceptual multi-level knowledge-based model of innovation in tourism and hospitality organizations established to investigate RQ2 and RQ3. Prior to presenting this model, however, the theoretical foundations and approaches applied to develop the proposed model are set forth.

2.4.5.1 Theoretical Foundations and Approaches

To conceptualize and investigate the innovation processes present in boutique hotels from a multi-level and a knowledge-based perspective, this study relied on the application of four theories and approaches, these are the KBV, Nonaka's (1994) Dynamic Theory of Organizational Knowledge Creation, the micro-foundation approach, and the Dynamic Capabilities framework. A discussion on the rationale for applying these theoretical lenses and approaches is advanced in the upcoming section.

2.4.5.1.1 Knowledge-Based View

Due to the important role of knowledge resources in the innovation process of tourism and hospitality organizations, this research rooted itself in the KBV. In this study, the KBV acted as a basis to frame knowledge as the most strategically significant organizational resource (Grant, 1996a). Moreover, by applying the KBV this research aligned to the position that organizations are primarily concerned with "integrating the specialist knowledge resident in

individuals into goods and services" (Grant, 1996a, p. 120), while "the primary task of management is establishing the coordination necessary for this knowledge integration" (Grant, 1996a, p. 120). In line with the theoretical underpinnings of the KBV, this research assumed that knowledge is both the core source of value added in organizations and a strategic asset due to barriers protecting this resource from being easily transferred and replicated (Grant, 1996b). Here, specific emphasis is placed on tacit knowledge, which refers to know-how, skills, and practical knowledge that can often be complex to transfer (Grant, 1996b) due to, for example, lack of absorptive capacity between actors and causal ambiguity (Szulanski, 1996). Furthermore, in line with the KBV, this research posits that the capacity of an organization to generate and sustain competitive advantages is contingent on the ability of personnel, e.g., managers, to access and exploit the specialist knowledge resident in intra-organizational personnel (Grant, 1996b).

The KBV was applied in this research to frame knowledge as the most strategically important of the firm's resources, allowing for an in-depth exploration of knowledge processes. Moreover, the KBV acted as a basis to substantiate the focus of analysis in this study, i.e., knowledge resources.

2.4.5.1.2 Nonaka's (1994) Dynamic Theory of Organizational Knowledge Creation

While the KBV was applied in this study to frame the focus of analysis in this research, i.e., knowledge resources, the KBV has been critiqued for adopting an information processing approach towards knowledge generation and exploitation activities (Nonaka & Takeuchi, 1995). As a consequence, the KBV is rather limited in its capacity to account for externalization processes and the human nature of knowledge creation activities (Nonaka &

Takeuchi, 1995). Due to these shortcomings, an alternative theory was applied to conceptualize knowledge creation practices, this is the Dynamic Theory of Organizational Knowledge Creation (Nonaka, 1994). In this study, Nonaka's (1994) theory of organizational knowledge creation provided a basis to explore the interplay between tacit and explicit knowledge resources, accentuating how the knowledge-creation process is managed and leads to innovation. Accordingly, Nonaka and Takeuchi (1995) claimed that,

> When organizations innovate, they do not simply process information, from the outside in, in order to solve existing problems and adapt to a changing environment. They actually create new knowledge and information, from the inside out, in order to redefine both problems and solutions and, in the process, to re-create their environment. (Nonaka & Takeuchi, 1995, p. 56)

In the Dynamic Theory of Organizational Knowledge Creation, knowledge is defined as "a dynamic process of justifying personal belief towards the 'truth'" (Nonaka & Toyama, 2005, p. 422), and thus, emphasis in this theory is placed on personal beliefs and the subsequent processes individuals go through to validate their beliefs (Nonaka, 1994). Knowledge, in this theory, is generally viewed as a subjective construct, and it represents an integral component of an individual's intrinsic world (Zins, 2006), with knowledge creation generally regarded as a personal and human-centric process dependent on an individual's accumulated tacit knowledge (Nonaka, 1994).

Moreover, by applying Nonaka's (1994) theory, this research assumed that explicit and tacit knowledge co-exist and interact with one another to give rise to new knowledge (Nonaka et al., 1996). In line with Table 2.2 below, tacit and explicit knowledge can be converted through four methods, with each method capable of giving rise to the socialization, externalization, combination and internalization (SECI) process (Nonaka et al., 2000)

Table 2.2 SECI Model: Knowledge Conversion Processes

Knowledge Conversion Process	Knowledge conversion type	Description of process
Socialization	Tacit to tacit knowledge	Socialization processes involve the acquisition and sharing of tacit knowledge by way of communal experiences, i.e., interactions an individual undertakes with their environment and the people in it (Nonaka et al., 2000). Furthermore, during socialization processes, tacit knowledge may also be acquired through observation, e.g., by learning through internships and mentorships (Nonaka et al., 2000).
Externalization	Tacit to explicit knowledge	Externalisation processes typically reflect the conversion of tacit knowledge to explicit knowledge by way of codification processes (Nonaka et al., 2000). A typical example of externalisation processes is the concept creation phase commonly associated with new product development (Nonaka et al., 2000).
Combination	Explicit to explicit knowledge	Combination processes focus on transforming established explicit knowledge into systematic forms of explicit knowledge (Nonaka et al., 2000). Explicit knowledge is generally acquired from sources internal or external to the firm, combined and adapted in order to result in new forms of knowledge (Nonaka et al., 2000).
Internalisation	Explicit to tacit knowledge	Internalisation processes are often action oriented and mirror 'learning by doing' (Nonaka et al., 2000). Thus, once explicit knowledge is shared by an organization and employees implement new procedures, any knowledge acquired by way of this activity will be converted to tacit knowledge, e.g., in the case of implementing new manufacturing processes (Nonaka et al., 2000).

(Source: Nonaka et al., 2000)

Due to the emphasis this theory places on different types of knowledge, Table 2.3 below outlines the difference between data and information and tacit and explicit knowledge.

Table 2.3 Data, Information, Tacit and Explicit Knowledge

Unit of analyses	Description of unit
Data	Data is typically objective and is commonly expressed in numeric format as a set of symbols or statistics (Oppenheim, 2007, as cited in Zins, 2007). Data is generally quantifiable and is capable of being stored (Hawkins, 2007; Oppenheim, 2007, as cited in Zins, 2007).
Information	Information incorporates the interpretation of data which is usually expressed in narrative format and is commonly represented as the output of data processing (Oppenheim, 2007, as cited in Zins, 2007).
Tacit knowledge	Tacit knowledge is defined as personal knowledge which has been acquired through 'know-how', practical experiences, conversations, mentoring and internships (Nonaka, 1994; Smith, 2001).
Explicit knowledge	Explicit or codified knowledge is knowledge that is transferable through formal language (Nonaka, 1994; Smith, 2001). Explicit knowledge may take the form of manuals, mathematical expressions, patents, and academic data and information (Nonaka, 1994; Smith, 2001). Explicit knowledge may be distributed through print or electronic methods, such as databases (Nonaka, 1994; Smith, 2001).

(Source: Nonaka, 1994; Smith, 2001; Zins, 2007)

Through applying Nonaka's (1994) Dynamic Theory of Organizational Knowledge Creation, this study aimed to investigate and account for the complex and the human centric nature of knowledge-based processes, leading to an in-depth and comprehensive exploration of how innovation is developed in boutique hotels in Valletta, Malta. Furthermore, due to the fact that Nonaka's (1994) theory of organizational knowledge creation accounts for the role of individuals in the knowledge creation process, the application of this theoretical approach facilitated the researcher explore the diverse array of micro-foundation practices applied by personnel in boutique hotels to attain innovation (Felin et al., 2012).

2.4.5.1.3 Micro-Foundation Approach

Complementing Nonaka's (1994) Dynamic Theory of Organizational Knowledge Creation, to conceptualize individual-level knowledge-based processes, this study applied the micro-foundation approach. This approach was applied for two core reasons.

First, this approach acted as a basis to operationalize Nonaka's (1994) theory of knowledge creation by placing emphasis on investigating micro-level phenomena, i.e., the unique actions, interactions, and the processes used by personnel in boutique hotels to transform knowledge resources into innovation outcomes (Barney & Flein, 2013; Felin & Foss, 2005, 2011). In this regard, the micro-foundations movement aims to "unpack, where possible, the central constituents, processes and interactions among individuals in order to explain the origins, maintenance and reproduction of collective outcomes such as norms, routines, capabilities and so forth" (Felin & Foss, 2012, p. 280). Thus, the application of this approach allowed for knowledge and the complex processes generally used to transform knowledge resources into innovation outcomes to be captured and accounted for at the individual-level.

Second, this approach also allowed for knowledge-based processes to be explored at the firm-level, and thus, this perspective is particularly facilitative when investigating phenomena on multi-levels, such as innovation. In this regard, Foss and Linder (2019) claimed that "the very concept of 'microfoundations' signals this: something is the 'foundation' at a 'micro' level, for something else, at a higher, 'macro' level" (p. 6). Therefore, this approach was applied to support a holistic investigation of knowledge processes in boutique hotels (Barney & Felin, 2013). Moreover, according to Felin et al. (2015), "a basic understanding of micro elements that constitute wholes can then in turn lead

to more rigorous work at the macro level as well" (p. 588). Therefore, through rooting the dynamic capabilities approach in micro-level processes, this study aimed to account for the start-point of knowledge-based processes, innovation, and capability development in boutique hotels in Valletta, Malta (Felin & Foss, 2005, 2012).

2.4.5.1.4 Dynamic Capabilities Approach

To explore transformations in knowledge resources at the firm-level, this study applied the dynamic capabilities approach. Specifically, this research employed the underpinnings of absorptive capacity and combinative capabilities to investigate innovation. The dynamic capabilities approach was selected as it represents a widely applied framework by scholars in the tourism and hospitality management literature to investigate innovation (see, for example, Baytok et al., 2014; Binder, 2020; Franco et al., 2022; Garrido-Moreno et al., 2014; Hoarau, 2014; Nieves et al., 2014; Pace, 2016; Sørensen & Jensen, 2015; Thomas & Wood, 2014), making this approach both established and prominent in this domain.

To avoid conceptual ambiguity, this study adopted Bindra et al.'s (2023) definition of KBDCs, with these capacities believed to reflect "a firm's ability to acquire, create, and combine knowledge to identify and exploit opportunities while addressing the dynamics of environmental changes" (Bindra et al., 2023, p. 65). Due to the focus of analyses in this research, i.e., transformations in knowledge resources, the capabilities comprising both absorptive capacity and combinative capabilities were employed to explore knowledge acquisition, combination, assimilation/transformation and exploitation processes at the firm-level.

To investigate firm-level (dynamic) capabilities, this research placed emphasis on the notion of routines, these represent "recurrent actions patterns" (Becker, 2005, p. 258). Therefore, for KBDCs to constitute a firm-level phenomenon, this study assumed that hotels should have in place certain reinforcing mechanisms for repetitive actions. This was done in order to clearly root capabilities in situated, ascertainable and systemized practices, without which, this study would suffer to prove the existence of dynamic capabilities and would risk falling into what Johnson et al. (2003) refer to as the "cul-de-sac of high abstraction, broad categories and lifeless concepts" (p. 6).

Based on the theoretical foundations and approaches set forth above, the following Section presents the conceptual multi-level knowledge-based model of innovation in tourism and hospitality organizations.

2.4.5.2 Multi-level Knowledge-Based Model for Innovation in Tourism and Hospitality Organizations

Due to the multi-level nature of innovation, this section advances two distinct conceptual models. First a graphic illustration of the micro-foundation processes conceptualized to be applied by personnel in boutique hotels in Valletta, Malta, to reconfigure knowledge resources and establish innovation is presented. Each micro-foundation process comprising this model is described in Table 2.4. Following this, a model illustrating the firm-level capabilities believed to be established in boutique hotels to reconfigure knowledge resources and attain innovation outcomes is presented. A description of each firm-level capability is set forth in Table 2.5.

Figure 2.3 Micro-Foundation Processes to Reconfigure Knowledge Resources and Establish Innovation
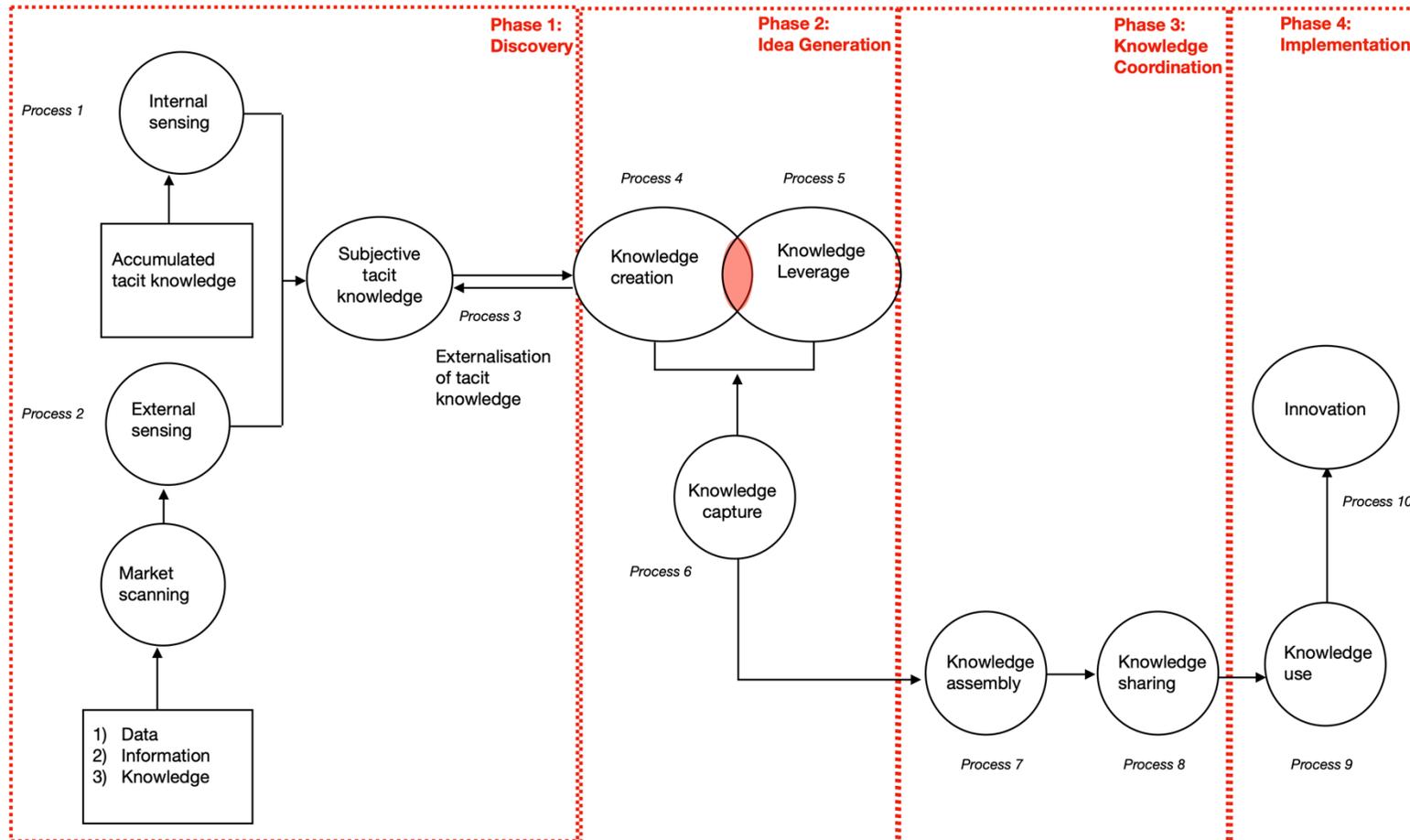
(Adapted from: Buhagiar et al., 2021)

2.4.5.3   Micro-Foundation Knowledge Reconfiguration Processes and Innovation

Based on Figure 2.3 above, Table 2.4 below presents a description of the four phases and the corresponding micro-foundation processes believed to be implemented in boutique hotels to reconfigure knowledge resources and establish innovation outcomes.

Table 2.4 Description of Micro-Foundation Processes for Reconfiguring Knowledge Resources and Innovation

Overarching Process	Micro-Foundation Process	Description of Process
Phase 1: Discovery	Process 1: Internal sensing	Internal sensing refers to opportunity recognition by way of tacit knowledge. This can occur through, for example, hands-on activities or observations (Nonaka, 1994), and socialization activities (Nonaka et al., 1996), such as face-to-face meetings, casual conversations, mentorship and internship programmes (Smith, 2001). Through engaging in the preceding activities, new insights and understanding may form which, if externalised through socialization processes, may lead to the development of a shared context for knowledge creation (Nonaka et al., 2000).
	Process 2: External sensing	External sensing refers to identifying innovation opportunities through explicit or tacit knowledge acquired from an organization's external environment (Nonaka et al., 2000; Smith, 2001). This can occur through, for example, informal meetings with customers, emails, patents and document specifications (Nonaka et al., 2000; Smith, 2001).
	Process 3: Subjective tacit knowledge	Once intra-organizational personnel engage in internal and external sensing processes, they may be stimulated to take action and externalise the subjective tacit knowledge they've gained through the interpretations they've formed on internally or externally obtained information, data or knowledge. Externalising knowledge represents the process of sharing knowledge, concepts or hypothesis, which will then be legitimized and validated by way of, for example, social interactions and dialogues with colleagues (Nonaka, 1994).
Phase 2: Idea Generation	Process 4: Knowledge creation	Knowledge creation may materialize at any point in the proposed model, however, it is predominantly interlinked to process three. Here, knowledge creation is said to occur when subjective tacit knowledge is externalized to result in new knowledge. Knowledge resources in this stage often tend to be tacit in nature, with the output being new concepts, hypothesis and ideas.
	Process 5: Knowledge leverage	Knowledge leverage processes generally involve exploiting intra-organizational knowledge resources by way of novel combinations of existing knowledge bases, e.g., by coupling divergent knowledge sets (McDermott, 1999).

	Process 6: Knowledge capture	Knowledge capture describes an owner or manager's ability to seize, record and document tacit knowledge through articulation and codification processes (Nielsen, 2006). Knowledge is generally captured in organizations through externalisation processes (Nonaka et al., 1996), where tacit knowledge is transformed into explicit codifiable knowledge through communication processes. In this process, concepts are explicitly captured through detailed writeups, drawings and designs, as in the case of new service development.
Phase 3: Knowledge Coordination	Process 7: Knowledge assembly	Once knowledge has been captured, owners or managers will go through knowledge assembly processes in order to identify and locate the knowledge bases required to deploy the innovation (Nielsen, 2006). In instances where organisations are unable to assemble the knowledge assets required, an owner or manager's attention will be drawn towards gaps in the knowledge bases of the organizations (Nielsen, 2006).
	Process 8: Knowledge sharing	Knowledge sharing processes involve distributing and disseminating knowledge across an organisation's infrastructure, ensuring that employees are made aware of new knowledge (Nielsen, 2006). By way of knowledge dissemination activities, any new or established systematic knowledge is communicated efficiently and effectively to employees (Wang et al., 2012). According to Wang et al. (2012), through knowledge dissemination, "eventually, an organizational memory takes shape as the organization develops specific methods for storing its knowledge" (pp. 116-117).
Phase 4: Implementation	Process 9: Knowledge use	Knowledge use involves operationalising and applying captured knowledge to result in organisational value (Nielsen, 2006). Knowledge use represents an internalization process where explicit knowledge is converted to tacit knowledge by way of learning by doing (Nonaka et al., 1996; Nonaka et al., 2000). Knowledge use may be substantiated by the communication of explicit knowledge in the form of manuals, procedures or videos (Nonaka et al., 1996; Nonaka et al., 2000). Once employees internalise knowledge through learning by doing, training, etc., employees acquire tacit knowledge, which may then be used to develop new knowledge (Nonaka et al., 1996; Nonaka et al., 2000).
	Process 10: Innovation	Knowledge use represents the application of captured knowledge and may lead to the implementation of radical or incremental innovations, resulting in novel or transformed products or services, processes, marketing techniques, management functions, logistics processes and procedures, and institutional ties (Hjalager, 2002, 2010).

(Sources: Hjalager, 2002, 2010; McDermott, 1999; Nielsen, 2006; Nonaka, 1994; Nonaka et al., 2000; Nonaka et al., 1996; Smith, 2001; Wang et al., 2012)

Table 2.4 illustrated how micro-foundation processes are positioned to lead to reconfigured knowledge resources and innovations in boutique hotels in Valletta, Malta. The next section provides a brief discussion on institutionalization practices, which reflect critical underpinnings necessitated for the development of firm-level capabilities. This is then followed by a discussion on the firm-level capabilities believed to comprise boutique hotels in Valletta, Malta.

2.4.5.4 Institutionalization Practices

In order for micro-foundation processes to lead to the development of firm-level capabilities, routinized practices and actions are necessitated to reenforce individual-level behaviours. In this regard, institutional practices, such as routines (Zollo & Winter, 2002), systematic activities (Barreto, 2010) or processes (Helfat et al., 2007) are used as a basis to develop acquisition capabilities, assimilation capabilities, transformation capabilities, combinative capabilities and exploitation capabilities. By way of institutional practices, organizations develop a 'memory', with routines embedded in organizational structures through written documents, tools and procedures for executing everyday work, administrative systems and organizational practices (Helfat et al., 2007; Nelson & Winter, 1982; Teece, 2007), used as a basis to cultivate firm-level capabilities for systemized innovation activities.

While firm-level routines can be established through codified knowledge, e.g., documents, routines can also develop through clearly defined employee roles and through learning by doing, where the habitual activities of employees result in operational consistency (Nelson & Winter, 1982). Accordingly, Nelson and Winter (1982) claimed that "what is required for the organization to continue in routine operation is simply that all members continue to "know their jobs" as those jobs are defined by the routine" (p. 100). Therefore, the routinization of micro-foundation processes can also occur through standard operating procedures, guiding documents or tacit routines and social norms.

Based on this discussion, if no evidence of institutional practices are found in boutique hotels, then the innovation process in these organizations generally occurs on the individual-level. On the other hand, if micro-foundation processes are institutionalized, then this is

believed to lead to the development of firm-level capabilities. These are discussed in the next section.

2.4.5.5 Dynamic Capabilities for Knowledge Reconfiguration and Innovation

Similar to the literature on KBDCs (see, for example, Bindra et al., 2023), this research considers five firm-level capabilities in boutique hotels. These are outlined in Figure 2.4 and described in Table 2.5 below.

Figure 2.4 KBDCs Applied to Transform Knowledge Resources into Innovation Outcomes
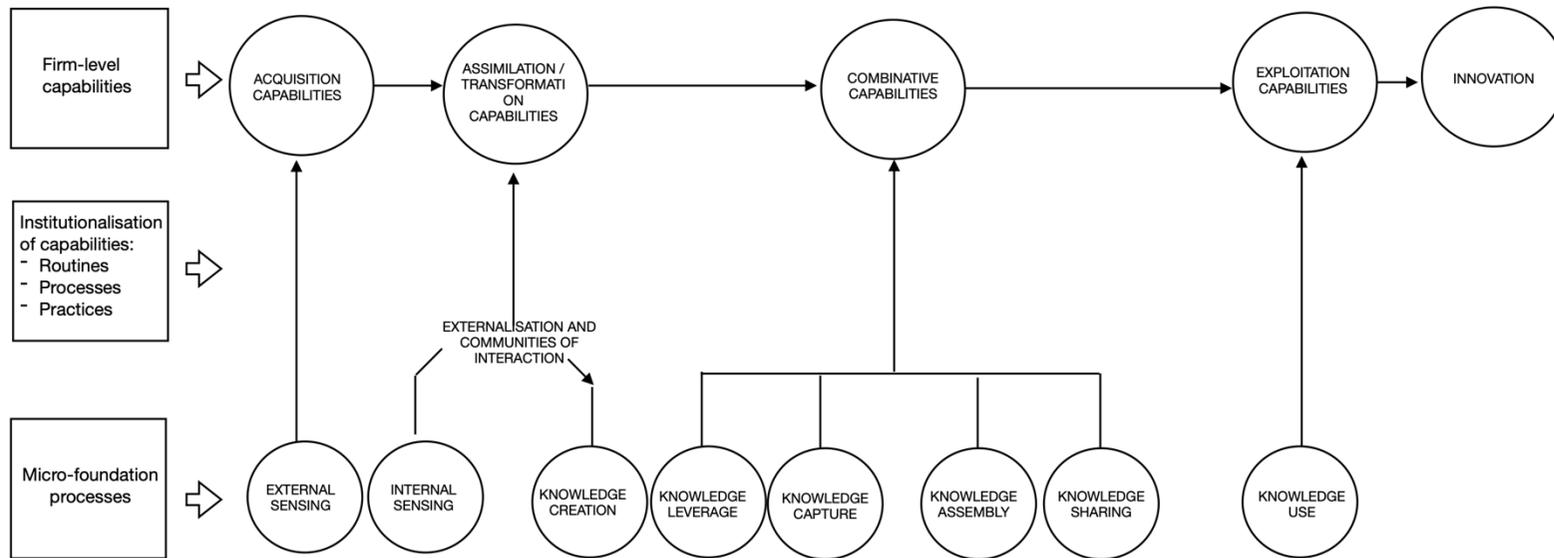
(Adapted from: Buhagiar et al., 2021)

Table 2.5 Dynamic Capabilities for Knowledge Reconfiguration and Innovation

Capability	Description of Capability
Acquisition Capabilities	The acquisition capability refers to an organization's capacity to recognize, identify and locate external knowledge that is of value to the organization (Cohen & Levinthal, 1990; Zahra & George, 2002). Acquisition capabilities, similar to sensing capabilities (Teece, 2007), enable organizations to identify opportunities for innovation (Vallaster et al., 2021). Examples of acquisition capabilities include research and development departments and collaborations with external partners (Vallaster et al., 2021). Other routines used to systemize acquisition capabilities at the firm-level include networking capabilities (Noteboom, 2022), market capabilities (Ellonen et al., 2011) and infrastructure capabilities, such as the implementation of opportunity generation technologies (Gold et al, 2001).
Combinative Capabilities	Combinative capabilities refer to an organization's ability to synthesize and apply knowledge that already exists within the respective organization's infrastructure (Kogut & Zander, 1992; Van den Bosch et al., 1999). Generally, these capabilities are associated with routines for integrating knowledge (Van den Bosch et al., 1999). Examples of combinative capabilities include integrative socialization capabilities, e.g., routines for the cross-functional socialization of employees (Un & Cuervo-Cazurra, 2004), integrative communication capabilities, e.g., formal and systematic meetings (Un & Cuervo-Cazurra, 2004), infrastructure capabilities, such as establishing a culture conducive towards innovation and implementing knowledge application and learning technologies (Gold et al., 2001).
Assimilation Capabilities	The assimilation capability reflects routines and processes implemented in organizations to "analyze, interpret, and understand information" (Zahra & George, 2002, p. 189). Assimilation is believed to occur at a rapid rate if new knowledge is interlinked to pre-existing knowledge (Cohen & Levinthal, 1990).
Transformation Capabilities	Transformation capabilities also reflect the capacity to assess, understand and give meaning to information, however, these capabilities are believed to occur when the knowledge being interpreted is highly novel and distant from what is already known (Todorova & Durisin, 2007). Therefore, "firms transform their knowledge structures when knowledge cannot be assimilated. Transformation represents an alternative process to assimilation" (Todorova & Durisin, 2007, p. 778).
Exploitation Capabilities	The exploitation capability refers to the capacity of an organization to capture and yield value from knowledge, in

	this case an idea, by enacting decisions to implement the idea (Zahra & George, 2002).

(Source: Cohen & Levinthal, 1990; Ellonen et al., 2011; Gold et al, 2001; Kogut & Zander, 1992; Noteboom, 2022; Teece, 2007; Todorova & Durisin, 2007; Vallaster et al., 2021; Un & Cuervo-Cazurra, 2004; Van den Bosch et al., 1999; Zahra & George, 2002)

The discussions set forth in this section focused on innovation from a process-oriented perspective. Extending this, the following section critically discusses the literature on innovation outcomes. This marks the final phase of the innovation process.

2.5　Innovation Outcomes

This section discusses the literature on innovation outcomes, i.e., characteristics, with emphasis attributed to critically discussing the number, the types and the degrees of novelty of the innovations implemented in tourism and hospitality organizations. This section concludes by discussing barriers to innovation in tourism and hospitality organisations.

2.5.1 Innovations Implemented in Tourism and Accommodation Provisions

In the tourism and hospitality management literature, several studies have been conducted to investigate both the number and the types of innovations implemented in tourism and hospitality organizations.

Starting with the number of innovations implemented in tourism and hospitality organizations, research on this topic has yielded mixed findings. For example, Backman et al.'s (2017) research on tourism organizations revealed that innovations were continuously implemented into organizational infrastructures. As a result, the authors stated that "the hospitality sector continuously is renewing itself since a majority of the firms are introducing innovations" (Backman et al., 2017, p. 1601). This conclusion was supported by data from a sample of approximately 900 tourism organizations, with 7 out of every 10 organizations revealed to implement innovations in new products/services (Backman et al., 2017). Jacob et al.'s (2003) empirical analyses of 20 tourism organizations located in the Balearic Islands demonstrated that between 1996 to 2000, 95% of the organizations comprising the sample

implemented more than one type of innovation. On the other hand, other analyses in the literature have demonstrated that innovations in this sector tend to be ad hoc. For example, Krizaj et al.'s (2014) analysis of 315 tourism organizations located in Slovenia concluded that, per year, each respective organization implemented an average of 1.08 innovations. Likewise, Orfila-Sintes et al.'s (2005) analysis of 331 hotels located in the Balearic Islands illustrated that 86.10% of the investigated hotels implemented at least one type of innovation. The literature in this field demonstrates that the adoption of innovations in tourism and hospitality organizations varies widely, ranging from continuous to ad hoc implementation.

Other studies have presented evidence to illustrate the impact of different ownership structures on the uptake of innovations in these enterprises (see, for example, Pikkemaat & Peters 2006; Martínez-Ros & Orfila-Sintes 2009; Rodríguez-Victoria et al., 2017; Wikhamn et al., 2018). For example, Wikhamn et al.'s (2018) analysis of hotels situated in Sweden concluded that in contrast to independently owned hotels, chain owned hotels were less innovative. According to the authors' research (Wikhamn et al., 2018), lower rates of innovation in chain owned hotels were attributed to hierarchically structured organizations, high levels of standardization, and centralized decision-making rights. Alternatively, Rodríguez-Victoria et al.'s (2017) analysis of hotels located in Colombia demonstrated that ownership structures did not bear any significant impact on the innovation capabilities of hotels, with the authors' concluding that "ownership type did not produce a statistically significant difference in terms of innovation implementation and economic competitiveness" (p. 2791).

Pikkemaat and Peters's (2006) analysis of hotels in Tyrol, Austria, revealed that hotel size was positively correlated with innovation, with larger hotels emerging as more conducive towards innovation. Similar results were also demonstrated by Orfila-Sintes et al. (2005), whose analysis of hotels in the Balearic Islands revealed that chain owned hotels and hotels run in leased properties were more innovative when compared to independently owned and owner-run hotels. Martínez-Ros and Orfila-Sintes's (2009) study demonstrated that in comparison to non-owner managed hotels, owner-managed hotels experienced suppressed rates of both radical and incremental innovations. According to the authors', "management by owner decreases the expected probability that a hotel establishment innovates either radically or incrementally" (Martínez-Ros & Orfila-Sintes, 2009, p. 639). Likewise, positive correlations between firm size and innovation were also revealed in the empirical analyses of Jacob et al. (2003) and Backman et al. (2017), with Backman et al. (2017) having concluded that "large firms tend to be more prone to engage in innovative activities since they have more internal resources and financial capital to support them. These results seem to hold relative to all firms in the hospitality industry" (p. 1604). In line with these findings, Orfila-Sintes and Mattsson's (2009) analysis of hotels in Spain revealed that as the size of a hotel increased, so did the probability of innovation in management, external communications and back-office, with organizational size proving to exert an impact on both the uptake and the types of innovations implemented in hotels. In part, Vila et al.'s (2012) analysis of chain owned hotels in Spain provided some grounds to illustrate why these hotels tend to implement more innovations than other types of hotels, with the authors results outlining several mechanisms implemented in chain owned hotels to facilitate innovation activities, including designated research and development (R&D) departments, marketing departments, formalized processes for innovation activities, and whole departments devoted towards innovation. Alternatively, smaller hotels tend to comprise conservative

organizational cultures and change resistant teams (Camisón & Monfort-Mir, 2012; Valença et al., 2020), they have limited financial resources, they often do not invest in R&D activities, and they commonly lack the skillset required to promote creativity and innovation (Pikkemaat & Peters, 2006). Based on this discussion, the frequency of innovation in hotels appears to be mixed, with ownership structures seeming to exert a degree of influence over the innovation activities of these organizations.

When exploring the types of innovations implemented in tourism and hospitality organizations, analyses in this domain also appear to yield varied findings. Starting with the uptake of product/service, process and marketing innovations, Tejada and Moreno's (2013) analysis of 125 hotels in Andalusia, Spain, revealed that 58.4% of the investigated hotels implemented innovations in marketing, 52% implemented innovations in products, and 51.2% implemented innovations in processes. Several analyses have provided substantiating evidence to corroborate the preceding findings (Elshaer & Marzouk, 2022; Jacob et al., 2003; Panfiluk, 2021). For example, Wikhamn et al. (2018) analysis revealed that out of a sample of 174 Swedish hotels, 62% of the innovations implemented in these organizations were product/service innovations, 60% were marketing innovations, 50% were organizational innovations, and 46% were process innovations. Similarly, Krizaj et al.'s (2014) analysis of tourism organizations revealed that product, process and marketing innovations were implemented at a ratio of 4:2:1, clearly illustrating the prevalence of product and process innovations in this sector.

Other research has illustrated that different forms of innovation tend to be prevalent in tourism and hospitality organizations. For example, Orfila-Sintes et al.'s (2005) research revealed that the most frequently implemented innovations in hotels were technology-based

innovations. Pikkemaat and Peters's (2006) analysis of hotels situated in Austria concluded that hardware innovations were the most frequently implemented type of innovations in hotels, with examples of these innovations including the introduction of new facilities in hotels and the installation of wine cellars. Likewise, Vila et al.'s (2012) analysis of hotel chains in Spain revealed that the most prevalent form of innovation in the sample was knowledge of the market innovation, while the least prevalent form of innovation was product innovation. The authors' research also illustrated that 60% of all the innovations implemented in the explored hotel chains involved some form of technology integration (Vila et al., 2012). In addition, Valença et al.'s (2020) empirical analysis of hotels situated in Brazil found that the investigated hotels commonly implemented platform innovations and solution innovations. Furthermore, similar to Pikkemaat and Peters's (2006) results, Kallmuenzer's (2018) study on family firms operating in the hospitality sector in Austria concluded that the most frequently implemented innovations in the investigated hotels were hardware innovations, with hotel renovations, décor upgrades and architectural modifications commonly implemented in these hotels.

Based on the previous discussion, tourism and hospitality organizations tend to engage in different types of in innovation behaviours and patterns, ranging from ad hoc to continuous innovations (see, for example, Backman et al., 2017; Jacob et al., 2003; Krizaj et al., 2014; Orfila-Sintes et al., 2005). The relative frequency of innovations in these organizations, however, seems to be partly influenced by the type of ownership structure fostered by hoteliers, with mixed findings having been set forth in the literature. This was demonstrated in Backman et al. (2017), Jacob et al. (2003), Martínez-Ros and Orfila-Sintes (2009), Orfila-Sintes et al. (2005), Orfila-Sintes and Mattsson (2009), Pikkemaat and Peters (2006), Rodríguez-Victoria et al. (2017), Vila et al. (2012) and Wikhamn et al.'s (2018) analyses.

Moreover, the types of innovations implemented in tourism and hospitality organizations tend to vary, with some authors having presented evidence to illustrate the prevalence of product/service, process and marketing innovations in these organizations (Elshaer & Marzouk, 2022; Jacob et al., 2003; Panfiluk, 2021; Tejada & Moreno, 2013), and other authors having illustrated the prevalence of alternate forms of innovation in these organizations, e.g., technology-based innovations (Orfila-Sintes et al., 2005), knowledge of the market innovation (Vila et al., 2012), platform innovations (Valença et al., 2020) and hardware innovations (Kallmuenzer, 2018; Pikkemaat & Peters, 2006). It is relevant to note, however, that the tourism and hospitality management literature lacks designated typologies aimed at measuring innovation outcomes, with limited attention placed on this by researchers (Montresor, 2018). This can partly explain the divergences demonstrated in the preceding discussion.

2.5.2 Radical Versus Incremental Innovations in Tourism and Accommodation Provisions

Research has also been conducted to explore the degrees of novelty of the innovations implemented in tourism and hospitality organizations, with novelty generally ranging from radical to incremental. Incremental innovations typically reflect marginal changes to organizational practices and knowledge (Camisón & Monfort-Mir, 2012). According to Orfila-Sintes et al. (2005), this particular form of innovation often involves "a progressive refinement of previously used solutions that allow an efficiency increase" (p. 854). Generally, incremental innovations are associated with lower costs and lower gains, especially when contrasted against the benefits yielded from radical innovations (Orfila-

Sintes et al., 2005). Some examples of incremental innovations in tourism and hospitality organizations include the internal training of personnel, upgrading quality standards, penetrating new customer markets while applying the same methods (Hjalager, 2002), changing brunch menus, e.g., thematized brunches, integrating minibar fees into room rates, replacing night clerks with electronic locking systems, website updates (Binder et al., 2016), offering organic food, expanding the hotel and developing a country club (Kallmuenzer, 2018). On the other hand, radical innovations tend to involve fundamental changes in the practices and knowledge of organizations (Camisón & Monfort-Mir, 2012). According to Orfila-Sintes et al. (2005), radical innovations typically represent "the application of a solution for a problem that had so far not been solved, or had been solved in a significantly inefficient manner" (p. 854). Some examples of radical innovations in tourism and hospitality organizations include the application of new technologies (Hjalager, 2002), e.g., the introduction of in-room entertainment systems, the implementation of environmental management systems (Binder et al., 2016), automation by way of robots and sensor-controlled cooking (Hjalager, 2010). Currently, research aimed at exploring the degrees of novelty of the innovations implemented in tourism and hospitality organizations has produced varied results.

Starting with incremental innovations in tourism and hospitality organizations, Pikkemaat and Peters's (2006) research on hotels in Austria revealed that from a sample of 107 hotels, the vast majority of these enterprises implemented incremental innovations. As a result, the authors' concluded that "the innovation degree in tourism organisations seems to be low or, to put it in other words, the majority of innovation activities are only minor cosmetic changes not even incremental innovations" (Pikkemaat & Peters, 2006, p. 107). Likewise, in the Balearic Islands, Martínez-Ros and Orfila-Sintes's (2009) research on hotel establishments

revealed that approximately 80% of the explored hotels implemented incremental innovations and only 50% developed and applied radical innovations. Moreover, the authors' research also indicated that incremental and radical innovations were interdependent, thus, if a hotel implemented a radical innovation, then the hotel's probability of implementing an incremental innovation increased (Martínez-Ros & Orfila-Sintes, 2009). This is due to the fact that incremental innovations are typically required following the implementation of radical innovations (Martínez-Ros & Orfila-Sintes, 2009). In addition, according to Martínez-Ros and Orfila-Sintes (2009), "the resources and capacities developed for radical innovation would have their greatest value in the subsequent incremental innovation" (p. 639). Binder et al.'s (2016) research on 12 small-to-medium sized accommodation provisions operating in Vienna concluded that most of the innovations implemented were incremental in nature, which led the authors to assert that the:

> small number of cases with high levels of organizational innovativeness in all three dimensions and outstanding innovation results with regard to both the [*sic*] process and novelty aspect confirms the assumptions of the comparatively low extent of innovation in tourism, especially with regard to radical innovation. (Binder et al., 2016, p. 356)

Likewise, Wikhamn et al.'s (2018) research on Swedish hotels revealed that 73% of the innovations implemented in the investigated accommodation provisions were incremental, and similar results were also demonstrated in Kallmuenzer's (2018) analysis of chain owned hotels located in Brazil. In addition, Panfiluk's (2021) study on accommodation provisions located in Poland revealed that innovations in the investigated hotels merely consisted of minor improvements to existing solutions, while Booyens and Rogerson's (2016) results also concluded that out of 156 tourism firms located in the Western Cape Region of South Africa,

most innovations, i.e., 62%, comprised small changes to existing products, processes, and business practices.

In part, the prevalence of incremental innovations in tourism and hospitality organizations can be explained by Stojcic et al.'s (2019) analysis of hospitality providers in Croatia, which revealed that performance gains generated through incremental innovations in the hospitality sector were generally much larger than those generated through radical innovations. As a result, Stojcic et al. (2019) concluded that in industries with long life cycles, such as the Croatian hospitality industry, where there are high levels of standardization and competitive pricing strategies, service providers generally compete through incremental innovations to develop short- and medium-term competitive advantages. Moreover, Hjalager's (2015) analysis of *100 innovations that transformed tourism* also provided grounds to explain the incremental nature of innovations in this sector, with the author having concluded that innovations in tourism are often dependent on innovations in other industries. As a result, Hjalager (2015) claimed that "much innovative power in tourism does not originate from tourism itself; it is the effect of something that happens elsewhere" (p. 19). In addition to these factors, a subsequent reason which substantiates the prevalence of incremental innovations in this sector pertains to high degrees of mimicry. In this respect, Hjalager (2010) stressed that "massive structural and behavioural factors hinder innovation in tourism, and there is already solid evidence that SME's may demonstrate an inclination to free-ride and be late and safe adopters" (p. 9). In addition, Nieves et al.'s (2014) research on hotels in Spain revealed that innovations within the investigated hotels generally occurred through observation and imitation. Likewise, several authors have expressed concerns over the easy-to-replicate nature of innovations in tourism organizations (see, for example, Hjalager, 2002, 2010; Montresor, 2018; Ottenbacher et al., 2012; Ziyae et al., 2022) with, for example,

Ottenbacher et al. (2012) having stated that "the high degree of intangibility of many hospitality services means that its attributes can be easily copied, and therefore, any service advantage that is derived from them is short lived and difficult to sustain" (p. 124).

Unlike the preceding findings, however, studies that predominantly focus on investigating innovation in tourism networks have provided substantiating evidence for the presence of a positive relationship between networks and radical innovations in tourism and hospitality organizations. For example, Martínez-Pérez et al.'s (2019) empirical analysis of cultural tourism clusters in Spain revealed that radical innovations were generally stimulated by close relational ties between cluster members, where the transfer of tacit knowledge often occurred. Moreover, the authors research also concluded that when tourism organizations expanded their networks beyond the cluster's border, the likeliness of implementing radical innovations also increased (Martínez-Pérez et al., 2019). Likewise, Aas's (2016) research of 15 tourism organizations operating in Scandinavia revealed that access to external knowledge positively impacted the development and implementation of radical innovations, with external actors, e.g., suppliers, consultants, and research institutions, found to represent an invaluable source of knowledge for radical innovations. Similarly, based on an analysis of 1,019 tourism organizations located in Spain, Camisón et al.'s (2018) research illustrated that exploration capabilities, which refers to the capacity to access and exploit different types of unrelated knowledge, facilitated the development of radical innovations. Alternatively, the capacity of tourism organizations to establish and implement incremental innovations was found to be contingent and path-dependent on exploitation capabilities, i.e., the capacity to exploit existing knowledge (Camisón et al., 2018). As a result, Camisón et al. (2018) concluded that "familiar and proximate knowledge through exploitation capabilities may facilitate incremental innovation at an accelerating rate" (p. 1564). On the other hand, radical

innovations necessitated access to varied or diverging knowledge (Camisón et al., 2018). The negative impact of excess knowledge depth, which refers to "the degree to which an individual is knowledgeable about a specific domain" (Mannucci & Yong, 2018, p. 1742), on incremental innovation was illustrated in Engen and Magnusson (2015) analysis of front-line employees in service organizations. In this respect, the authors found that exposure to the same work environment over long durations of time resulted in "quotidian patterns" of thought (p. 313), decreased creativity, and lack of new knowledge. Likewise, AlKayid et al.'s (2023) analysis of four-star hotels located in Egypt illustrated that organizational inertia led to habitual patterns of thought and behavioural rigidities.

Moreover, while access to networks has been demonstrated to positively influence the development of radical innovations in tourism and hospitality organizations, the depth of knowledge present in these networks has been found to bear an impact on the degree of novelty of the innovations developed in the respective organizations. For example, García-Villaverde et al.'s (2017) analysis of 215 tourism and hospitality organizations located in Spain revealed that while tourism networks stimulated radical innovations, strong relational ties and dense networks were found to reduce the novelty and the uniqueness of the ideas generated in these organizations, thereby minimizing the likeliness of radical innovations. Furthermore, Soares et al.'s (2021) analysis of hotels located in Natal, Brazil, revealed that socialization activities between hoteliers in the tourism industry generally led to the discovery of new innovations, however, this also led to high degrees of isomorphism in the industry, thereby reducing the novelty of the innovations established in this sector. Likewise, Kallmuenzer and Peters's (2018) analysis of tourism firms in Austria revealed that although socialization in the sector was necessary and important for the competitiveness of firms and

the wider development of the destination, generally, networks led to unaggressive innovation behaviours, which often hindered risk-taking, a prerequisite for radical innovations.

Based on the previous discussion, research has illustrated that innovations in tourism and hospitality organizations generally range from incremental to radical (Aas, 2016; Binder et al., 2016; Martínez-Pérez et al., 2019; Pikkemaat & Peters, 2006). Oftentimes, radical innovations in tourism and hospitality organizations are contingent on access to networks and divergent knowledge (García-Villaverde et al., 2017; Kallmuenzer & Peters, 2018; Soares et al., 2021). On the other hand, incremental innovations in these organizations are typically driven by way of mimicry and adaptation strategies (Booyens & Rogerson, 2016; Kallmuenzer, 2018; Panfiluk, 2021; Wikhamn et al., 2018). In this particular stream of the literature, authors seem divided on the dominance of radical and incremental innovations in tourism and hospitality organizations. With one faction of authors having provided evidence to illustrate the prevalence of incremental innovations in tourism enterprises (see, for example, Booyens & Rogerson, 2016; Kallmuenzer, 2018; Panfiluk, 2021; Wikhamn et al., 2018), and another faction of authors having presenting evidence to illustrate the dominance of radical innovations in tourism and hospitality organizations (see, for example, García-Villaverde et al., 2017; Kallmuenzer & Peters, 2018; Soares et al., 2021).

2.5.3 Barriers to Innovation

Several empirical analyses have been conducted in the tourism and hospitality management literature to investigate barriers to innovation. For example, Jacob et al.'s (2003) empirical research on tourism organizations located in the Balearic Islands revealed that lack of skilled personnel, especially in ICTs, represented a major obstacle to innovation. Similar results were also found in Montalvan-Burbano et al.'s (2019) analysis of 146 hotels in Ecuador, with lack of qualified personnel demonstrated to negatively impact innovation activities in the investigated hotels. Likewise, Jasinskas and Majauskienė's (2016) analysis of 3- and 4- star hotels situated in Kaunas and Vilnius, illustrated that lack of access to human resources negatively impacted innovation in the respective hotels, with limited human capital denoted to restrict ideation activities in these hotels. In addition to human resources, Jacob et al.'s (2003) analysis concluded that a subsequent barrier to innovation in tourism organizations was an overarching resistance towards change and legislative barriers. Najda-Janoszka and Kopera's (2014) investigation of medium-sized tourism enterprises situated in Poland revealed that the ability of staff to engage in ideation activities was significantly impacted by insufficient skills and knowledge. According to the authors, "the key innovation barriers belong [to] human resources issues, particularly: insufficient skills, competencies and low formal qualifications, as well as motivation to engage in innovation processes" (Najda-Janoszka & Kopera, 2014, p. 199).

In addition, several studies also set forth evidence of financial barriers to innovation in tourism organizations (Jacob et al., 2003; Jasinskas & Majauskienė, 2016; Montalvan-Burbano et al., 2019). Based on the results obtained in Jasinskas and Majauskienė's (2016) research, for example, the authors' stated that "every hotel head must perform an analysis of

the economic benefit and decide whether his/her hotel can implement innovations. Innovations are often very expensive and hotels cannot always afford them" (p. 606). Likewise, the majority of tourism organizations explored in Najda-Janoszka and Kopera's (2014) analysis revealed that lack of access to capital significantly limited the ability of organizational personnel to develop new ideas. Moreover, Ziyae et al.'s (2022) analysis revealed that core factors that negatively impacted the uptake of innovations in hotels in Tehran, Iran, included mismanaged innovation implementation processes, bossy managers, and lack of change management practices in hotels. Other barriers to innovation in tourism organizations include lack of government support (Jasinskas & Majauskienė, 2016) and lack of access to training programs for employees (Ziyae et al., 2022).

Numerous studies have also presented evidence of barriers that specifically inhibit technology innovations in tourism organizations. For example, Ko et al.'s (2016) research revealed that the more complex a technology innovation is the lower the likelihood of adoption. Sharma's (2016) analysis of technology innovations in lower category (LCH) and higher category hotels (HCH) situated in India revealed that although a prevalent fear of technology among employees in LCHs was a major obstacle to technology innovation, this was not experienced in HCHs. Likewise, Lam and Law's (2019) analysis of upscale and luxury-branded hotels situated in China and Southeast Asia illustrated that major barriers to technology innovation included skills gaps in the workforce, lack of dedicated departments to implement upskilling initiatives, the prevalence of legacy systems and a pervasive follower culture as opposed to an innovator culture. Moreover, Bharwani and Mathews's (2021) analysis of luxury hotels in India revealed that core barriers to technology innovation included the readiness of hotel guests to adopt innovations, the rapid obsolescence of

technology, glitches commonly encountered when implementing technological innovations, and the careful balance between personalization and privacy.

Based on the previous discussion, a number of barriers seem to inhibit the development of innovations in hotels, these can be grouped into three key categories, including human resource barriers, financial barriers and technology barriers. As part of the human resource barrier, several studies have illustrated that lack of access to skilled personnel, cultural resistance towards change, lack of designated training programs, and an overarching fear of technology, generally restrict the development of innovations in hotels (Jacob et al., 2003; Jasinskas & Majauskienė, 2016; Najda-Janoszka & Kopera, 2014; Ziyae et al., 2022). Financial barriers, which include limited access to organizational capital and lack of government support by way of incentives or subsidies, have also been found to hamper the development of innovations in hotels (Jacob et al., 2003; Jasinskas et al., 2016; Montalvan-Burbano et al., 2019). Research has also demonstrated that technology innovations in hotels tend to be negatively impacted by the degree of complexity associated with a technology, the pervasiveness of legacy systems and the rapid obsolescence of technologies (Bharwani & Mathews, 2021; Ko et al., 2016; Lam & Law, 2019; Sharma, 2016).

2.5.4 Summary and Research Gap

The discussions advanced in this section presented a critical overview of the literature on three fundamental aspects of innovation, these are the number, the types, and the degrees of novelty of the innovations implemented in tourism and hospitality organizations. This section concluded by outlining key barriers that have been found to negatively impact the development of innovations in tourism and hospitality organizations.

Based on these discussions, several inferences about innovation in tourism and hospitality organizations can be drawn. First, numerous studies have demonstrated that the innovation efforts of tourism and hospitality providers range from continuous to ad hoc (see, for example, Backman et al., 2017; Jacob et al., 2003; Krizaj et al., 2014; Orfila-Sintes et al., 2005). These results, however, are rather complex to interpret when compared with analyses that present findings related to the impact of ownership structures on innovation (see, for example, Pikkemaat & Peters 2006; Martínez-Ros & Orfila-Sintes 2009; Rodríguez-Victoria et al., 2017; Wikhamn et al., 2018). The reason for this is that authors have yet to reach consensus on the ownership structure/s most conducive towards innovation, with diverging findings presented in this field.

In addition, while product/service and process innovations appear to be the most prevalent types of innovations in tourism and hospitality organizations (Elshaer & Marzouk, 2022; Jacob et al., 2003; Krizaj et al., 2014; Panfiluk, 2021; Tejada & Moreno, 2013; Wikhamn et al., 2018), due to lack of designated typologies for classifying innovation outcomes in tourism organizations (Camisón & Monfort-Mir, 2012; Nordli, 2017), it is difficult to determine the type/s of innovations most frequently developed and implemented in

accommodation provisions. This is particularly problematic as it prevents practitioners form establishing benchmarks to drawn fair comparisons.

The review of the literature presented in this section also illustrated that tourism and hospitality organizations tend to implement both radical and incremental innovations (see, for example, Binder et al., 2016; Camisón et al., 2018; Martínez-Pérez et al., 2019; Martínez-Ros & Orfila-Sintes, 2009; Pikkemaat & Peters, 2006), with incremental innovations generally more pronounced in this sector (see, for example, Hjalager, 2002, 2010; Montresor, 2018; Nieves et al., 2014; Ottenbacher et al., 2012; Ziyae et al., 2022).

Last, a number of barriers seem to impact the development of innovations in tourism and hospitality organizations, making the cultivation of innovation in these organizations particularly susceptible to both intra- and inter-organizational factors (Bharwani & Mathews, 2021; Jacob et al., 2003; Jasinskas & Majauskienė, 2016; Ko et al., 2016; Lam & Law, 2019; Najda-Janoszka & Kopera, 2014; Ziyae et al., 2022).

To date, an understanding of the key characteristics, i.e., outcomes, of the innovations implemented in boutique hotels remains absent in the literature (Buhagiar et al., 2024). To address this particular gap, this research investigated the following research question:

> RQ4: What are the characteristics of the innovations implemented in boutique hotels in Valletta, Malta?

The value of addressing this research question is two-fold. First, a greater understanding of the rate, the types and the degrees of novelty of the innovations implemented in boutique

hotels acts as a first step in understanding the organizational behaviour and the innovation patterns fostered in these enterprises. This provides a basis to assess whether boutique hotels in Malta are performing in-line with prior empirical evidence, or they diverge. Second, by exploring this research question, this study can support policymakers better understand the state of innovation in this novel accommodation provision and react by establishing designated policies to aid hoteliers remain competitive *via* innovation activities.

Based on the diverse nature of innovation, as evidenced in the tourism and hospitality management literature, it is crucial to narrow down the focus of analysis in this research to one context. Attributed to the fact that "boutique hotels constitute a fluid construct, i.e. their attributes and idiosyncrasies are highly contextualized and rooted in local history and culture" (Buhagiar et al., 2024, p. 219), this makes for a relevant context to explore the nature of innovation. Investigating innovation in this form of accommodation is particularly relevant as studies on this topic in this specific context remain underrepresented in the innovation literature (Buhagiar et al., 2024). The next section discusses the key attributes of boutique hotels, and it illustrates the relevance of investigating innovation in this particular context.

2.6   Research Context

This section describes the context of investigation in this study, being boutique hotels. This section concludes by discussing the relevance of exploring innovation in the specific context of boutique hotels.

2.6.1   Boutique Hotel Attributes

Boutique hotels mark the start of the fourth accommodation boom which occurred in the 1980s as a reaction to luxury hotels defined by excessive brand homogenization (Chang & Teo, 2009; Lim & Endean, 2009; Qian et al., 2020). Due to their growing success, in 2024, the global market size of boutique hotels was estimated to be worth $9 million (Future Market Insights, 2022). According to Henderson (2011), boutique hotels comprise both an important visitor attraction and a novel form of accommodation, with these hotels commonly described as hip heritage (Henderson, 2011), the antithesis of cookie cutter (Lin, 2016), and works of art (Strannegård & Strannegård, 2012).

Boutique hotels generally represent individualistic, stylish, and expressive contexts (Strannegård & Strannegård, 2012), with thematization in the décor comprising these hotels frequently used as a strategic mechanism to cultivate unparalleled servicescapes. In India, for example, The Park Bangalore boutique hotel resonates its uniqueness through its aesthetic design, where the theme of the hotel is the Indian silk industry (Dev & Keller, 2014). Hotel Costes in Paris was developed on the premise of all things in excess, with the hotel's interior defined by oriental patterned wallpaper, organic shape chandeliers, smoke-

coloured mirrors, scented candles, and customized music made in collaboration with DJ Stéphane Pompougnac (Strannegård & Strannegård, 2012). In Lisbon, the boutique hotels in Loureiro et al.'s (2020) research embodied a traditional Portuguese theme, with blue and white tile embellishments, wooden flooring, and antique furniture. In Malta, the décor comprising boutique hotels seems to vary. For example, while some local boutique hotels have been reported to be situated in heritage buildings, with emphasis attributed to accentuating the history and the structures of these hotels, other local boutique hotels have been reported to be situated in contemporary buildings, with emphasis attributed to modernization *via* contemporary decor (Galea, 2012).

In addition to thematized décor, boutique hotels are often "defined by their aesthetic individuality and cultural authenticity, which are attained through the commodification of historically significant structures" (Buhagiar et al., 2024, p. 218). For example, in George Town, Penang, Malaysia, boutique hotels have been reported to be located in re-adapted old buildings (Rahman, 2018). The boutique hotel chain, Hotel du Vin, often transforms iconic buildings into boutique hotels, such as a Georgian house in Tunbridge Wells, a sugar refinery in Bristol and a former eye hospital in Birmingham (Lowe, et al., 2012). In Malta, boutique hotels tend to be situated in both heritage and contemporary buildings. Vassallo's (2014) research, for example, concluded that although heritage buildings generally offered tourists a unique experience, certain boutique hotels on the island also delivered their market offering in contemporary buildings.

Boutique hotels are also synonymous for offering customers personalized experiences (Buhagiar et al., 2024). For example, in the United Kingdom, boutique hotel employees were expected to know customers by their names and possess the capacity to predict their needs

(Lim & Endean, 2009). In America, employees in the Felix hotel claimed to form intimate connections with guests through treating the hotel as a "home away from home" (Gross & Pullman, 2012, p. 49), leading to personalised service interactions. In Malta, boutique hotels have also been found to offer customers personalized experiences, with these hotels described as intimate, personal, and customizable (Galea, 2012; Vassallo, 2014).

Boutique hotels tend to be situated in an array of locations, including UNESCO world heritage sites (see, for example, Goh, 2015; Henderson, 2011; Navarrete Escobedo, 2020; Rahman 2018), urban city centres (Lim & Endean, 2009), in remote areas, including the countryside, or in coastal resorts (Henderson, 2011). Due to the peculiar nature of boutique hotels, oftentimes, these types of accommodation provisions target niche customers (see, for example, Chang & Teo, 2009; Strannegård & Strannegård, 2012; Tritto, 2020), e.g., stylish and fashionable guests (Chang & Teo, 2009), aged between 18 to 35 (Buhagiar et al., 2024).

Boutique hotels generally distinguish themselves from other forms of accommodation through their close links to local identity and history, which tends to be embedded in rich socio-cultural value (Henderson, 2011). Unlike traditional hotels, which often focus on brand standardization and consistency, ensuring that there is "uniformity in the quality and range of services and amenities, and an identical design of the physical plant" (Pizam, 2015, p. 213), boutique hotels accentuate individual designs and experiences (Jones et al., 2013). This approach signals a pronounced deviation from, for example, the Holiday Inn's 1975 slogan, which was "The Best Surprise Is No Surprise" (Pizam, 2015). Furthermore, although boutique hotels tend to prioritise individualisms and tailor-made services (Kosar, 2014), other hotels, most especially, traditional hotels, tend to place emphasis on operational efficiency, service standardization, and brand recognition (Kosar, 2014; Pizam, 2015).

According to Kosar (2014), "standardization generates a feeling of security and familiarity within traditional segments" (p. 44). On the other hand, Quadri-Filittie et al.'s (2022) investigation of boutique hotels revealed that customers generally lodged in these accommodation provisions due to their distinctive layouts and designs, their links to local history and city features. Therefore, distinct factors seem to influence a customer's decision to lodge in boutique hotels or traditional hotels. According to the Boutique Lifestyle Leaders Association (n.d.), boutique hotels tend to comprise elements of luxury, with these hotels often defined by exceptional aesthetics and services, e.g., Michelin Starred dining. Although boutique hotels can incorporate elements of luxury, they are distinguishable from traditional luxury hotels due to their small size, their use of thematic designs, independent ownership and soft branding, which is the practice chain-owned boutique hotels employ to retain a unique identity (Chang & Teo, 2009; Dev & Keller, 2014; Ghaderi et al., 2020; Gross & Pullman, 2012; Quadri-Filittie et al., 2022). On the other hand, luxury hotels usually form part of international chains with strong reputations and branding. Often, these hotels comprise hundreds of rooms, e.g., The Plaza, Mandarin Oriental and Burj Al Arab. Moreover, traditional luxury hotels tend to be identifiable by their star rating, with these hotels typically ranging from 4- to 5-star (Wu et al., 2023). In contrast, boutique hotels tend to deviate from the star-rating system, and they can range from boutique hotels with no star rating to boutique hotels with a 5-star rating (Lim & Endean, 2009). Additionally, although luxury hotels tend to prioritise technological integration *via* concierge robots and advanced technologies (Wu et al., 2023), in boutique hotels, often, technological integration includes free and fast Wi-Fi (Lim & Endean, 2009; Truong et al., 2020). This could be attributed to the fact that "the presence of in-room up-to-date technology is a must, but the placement of such technology should not be intrusive, leaving the first priority to cultural and heritage aspects" (Loureiro et al., 2020, p. 46). As a result, greater emphasis in boutique hotels tends

to be placed on leveraging and exploiting technologies to cultivate novel servicescapes *via*, for example, music, lighting, and ambient elements (Wang et al., 2015). Often, luxury hotels tend to provide customers with access to numerous amenities, e.g., swimming pools (Wu et al., 2023) and in-house entertainment, e.g., casinos and entertainment shows, including acrobatic shows or cabarets (Lai & Hitchcock, 2016). However, boutique hotels, due to their small size, tend to offer access to limited niche facilities, e.g., museum spaces, culturally themed spas (Chang, 2010), and curated movie libraries (Dev & Keller, 2014), or no facilities (Lim & Endean, 2009). In addition, another key difference between luxury hotels and boutique hotels is the emphasis these accommodation provisions tend place on efficiency and personalization. For example, while customer lodging in luxury hotels expect warm yet efficient service delivery (Lai & Hitchcock, 2016), in boutique hotels, emphasis is generally attributed to cultivating intimate connections with guests *via* treating customers "like family members" (Truong et al., 2020, p. 311).

Based on these attributes, boutique hotels tend to set themselves apart from others forms of accommodation, specifically, traditional star-rated hotels and luxury hotels, due to their small size (Ghaderi et al., 2020; Gross & Pullman, 2012), their links to local culture (Chang, 2010; Truong et al., 2020), their use of thematization and novel servicescapes (Chang & Teo, 2009; Dev & Keller, 2014; Gross & Pullman, 2012), where the "scope for creativity and originality" (Henderson, 2011, p. 219) is greater.

Despite the growing success of boutique hotels, these lodging provisions tend to be particularly unique and complex to investigate. This is attributed to the fact that boutique hotels are seldom recognized at the policy-level as distinct forms of accommodation (Ghaderi et al., 2020; Loureiro et al., 2020). As a result, they are generally licensed in an

ununiform manner, with some hotels licensed as 5-star hotels and others licensed as guesthouses. These factors make it particularly difficult to identify boutique hotels, while data and statistics on these forms of accommodation remain scant. In addition, academics have yet to reach consensus on a definition of this construct (Ghaderi et al., 2020), making it especially challenging to identify these forms of accommodation due to diverse sampling parameters. Furthermore, recent research conducted by Quadri-Felitti et al. (2022) revealed that "despite the considerable growth in boutique and lifestyle hotels, many travelers remain unsure of the meaning of the terms" (p. 358). Suggesting a perception gap between industry and consumers, this underscores the need for research on this phenomenon to unveil its distinct features and attributes. In addition, the evolution of the literature on boutique hotels is nascent, with publications in this field gaining traction between 2019 to 2022 (Buhagiar et al., 2024). According to Buhagiar et al.'s (2024) systematic review of the literature on boutique hotels, between 1994 to 2023 only 33 articles were published on these accommodation provisions. Out of these 33 articles, 18 were published between 2019 to 2022 (Buhagiar et al., 2024). Buhagiar et al.'s (2024) review also revealed that out of 33 articles only two articles explored innovation in boutique hotels. The focus of these articles was on soft innovations (Pirnar et al., 2020) and the impact of innovation on customer satisfaction (Truong et al., 2020). Thus, innovation in boutique hotels can be considered a relatively underexplored context of investigation.

In Malta, specifically, Valletta, the boutique hotel phenomenon was noted in 2018, this coincided with Valletta's status as the ECoC 2018. According to Mirabelli (2022), boutique hotels in Valletta "offer luxury 'in a fashionable urban location', which the capital has become" (para.3). Although the emergence of boutique hotels is relatively recent, Ray De Micoli claimed that "despite the large number of boutique hotels in the city, the market does

not show a decline" (Debono, 2019, para. 6). Due to rapid rates of overdevelopment in Malta and the lenient issuing of permits on the island, the oversaturation of boutique hotels in Malta's capital city has become a topic of concern. For example, the former mayor of Valletta, Alexiei Dingli, claimed that:

> I favour balance. Let's take boutique hotels as an example. The city did need these kind of hotels – but now we simply have too many. We need to restrain this indiscriminate granting of construction permits. Are all these hotels viable? (Depares, 2019, paras. 9, 10)

To date, empirical studies on innovation in boutique hotels located in Valletta, Malta, remain scant (see, for example, Galea, 2012; Vassallo, 2014). Due to the fact that Valletta represents one of Malta's key cultural hubs and a stand-alone destination, there is the pressing need to investigate innovation in this hyper-competitive context, where "escalating levels of commitment to innovation are required simply to stay in the same place, much less improve competitive position" (Lawson & Samson, 2001, p. 378).

2.7   Conclusion

Boutique hotels constitute an emergent and novel market offering in the hospitality sector (Băltescu & Boșcor, 2016), with these hotels differentiating themselves from alternate forms of accommodation through an aspirational experience (Jones et al., 2013), a property experience based on the commodification of heritage buildings (Chang, 2010; Jones et al., 2013), a cognitive experience delivered *via* exclusive aesthetic environments (Henderson, 2011) and highly personalised service experiences (Băltescu & Boșcor, 2016). Owing to their recent emergence (Jones et al., 2013; Quadri-Felitti et al., 2022), research on boutique hotels has remained rather limited and fragmented, with Buhagiar et al.'s (2024) systematic review of the literature having revealed that publications on these forms of accommodation only started to gain traction from 2019 onwards. Despite the continued interest of scholars in boutique hotels, however, innovation in this context has seldom been explored. With the boutique hotel sector in Valletta, Malta, reported to be facing a scenario of market saturation (Debono, 2019), the prevalence of hyper-turbulence and excessive competitivity in this sector makes innovation a necessary precondition required for the long-term survival of these enterprises. To date, however, extensive studies aimed at exploring innovation in one context and from a multi-dimensional perspective remain scant.

Due to the multidimensional character of innovation, "the field of innovation faces the key challenge of capturing the complete picture of innovation" (Edwards-Schachter, 2018, p. 76). However, in order for this picture to emerge, the discussions advanced in this Chapter argued that innovation necessitates an embedded context and an understanding of three fundamental elements, these are the perceived meaning of innovation, the innovation

processes and innovation outcomes. This Chapter has set forth critical discussions on each of these key elements and outlined the limitations of the respective literature in each field. It has also presented the research questions underpinning this study and it has simultaneously illustrated the value that can be derived by addressing these research questions. The below discussion briefly synthesises the salient points discussed in this Chapter.

From a definitional perspective, the analysis of the literature revealed that notwithstanding the calls advanced by scholars in the tourism and hospitality management literature to adopt a contextualised lens when investigating innovation in this specific domain (e.g., Backman et al., 2017; Fernandes & Pires, 2021; Volo, 2006), oftentimes, the definitions of innovation set forth in the tourism and hospitality literature depend on theoretical underpinnings stemming from the service innovation literature (e.g., Baradarani & Kilic, 2018; Chen, 2011; Li et al., 2022). This has resulted in context independent definitions that neglect to accentuate and capture the novelty of the tourism product. Moreover, although "innovation is a popular organizational construct observed and defined in multiple ways by experts, practitioners, and laypeople. . . [there is] a lack of studies that combine both scholarly, practitioner, and the everyday notion of innovation to derive a unified definition" (Singh & Aggarwal, 2022, p. 186). To define innovation from a contextually sensitive perspective, this research proposes a characterisation of this construct generated by those who create innovations, in this case, boutique hotel personnel, and those who experience such innovations, being boutique hotel customers and stakeholders in the local tourism industry.

From a process perspective, the analysis of the literature revealed that innovation is a multi-level phenomenon capable of occurring at the individual-level through micro-foundation practices and at the firm-level through knowledge-based dynamic capabilities. Moreover,

despite the fact that several studies have illustrated the positive relationship between knowledge resources and innovation processes (see, for example, Baytok et al., 2014; Binder, 2020; Gürlek, 2021; Hoarau, 2014; Nieves et al., 2014; Sørensen & Jensen, 2015), to date, a unified picture of the paths through which knowledge evolves, is transformed and exploited remains limited, with the process models of innovation advanced in the literature adopting numerous foci of analyses and often focusing on one level of analysis (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Custódio Santos et al., 2020; Hollebeek & Andreassen, 2018; Nordin & Hjalager, 2017; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009). Due to these shortcomings, this research proposed the multi-level knowledge-based model for innovation in tourism and hospitality organisations. This model allows for transformations in knowledge resources and innovation to be explored at the both individual and firm-level.

Last, this Chapter has illustrated that the literature pertaining to innovation outcomes in tourism and hospitality organisations has yielded mixed findings. In this respect, while some scholars have demonstrated that tourism and hospitality organisations represent highly innovative organizations (Backman et al., 2017; Jacob et al., 2003), other scholars have concluded that these organisations merely copy and paste ideas and comprise minimal innovation capacities (Orfila-Sintes & Mattsson, 2009; Pikkemaat & Peters, 2006). Likewise, the influence of ownership structures on innovation outcomes remains elusive (Rodríguez-Victoria et al., 2017; Martínez-Ros & Orfila-Sintes, 2009; Wikhamn et al., 2018), while few studies have considered exploring this factor in relation to, for example, the innovation process. In addition, the degree of novelty of the innovations established in tourism and hospitality enterprises appears to be interlinked to knowledge resources and their diversity (Aas, 2016; AlKayid et al., 2023; Camisón et al., 2018; Martínez-Pérez et al.,

2019), however, this remains an under explored domain. Last, this Chapter also discussed a number of barriers that seem to inhibit the development of innovation in tourism and hospitality organisations (Jasinskas & Majauskienė, 2016; Montalvan-Burbano et al., 2019; Ziyae et al., 2022). Given the overarching sense of ambiguity in the empirical results comprising this domain of inquiry, this research proposed a comprehensive investigation of innovation outcomes in boutique hotels.

Based on the research questions set forth in this Chapter, the next Chapter, i.e., Chapter 3, presents the methodological underpinnings and the research design applied to investigate the phenomena of interest in this research.

3   Methodology

3.1   Introduction

Chapter 3 discusses the methodological framework applied to investigate innovation in boutique hotels in Valletta, Malta. This Chapter commences by outlining the research questions comprising this study and the corresponding philosophical underpinnings employed to investigate innovation in boutique hotels. This is followed by a discussion on the research design, the sampling criteria, the sampling techniques, and the data collection strategy applied. This Chapter also illustrates the ethical protocols applied, the data capture methods used, the procedures applied to analyse interview and focus group data and measures of trustworthiness.

3.2   Research Questions

The research questions guiding this study were developed by way of an analysis of the literature on innovation in tourism and accommodation provisions. Through an extensive review of the literature (see Chapter 2), it was revealed that innovation has seldom been explored from both a contextually sensitive and a holistic perspective. To address these particular shortcomings, this study established four research questions (RQ) with the aim of providing a more nuanced and extensive understanding of innovation in boutique hotels:

Research Question 1. How is innovation in boutique hotels in Malta perceived by practitioners, customers, and stakeholders in the local tourism industry?

Research Question 2. What are the micro-foundation practices that are applied to transform knowledge resources into innovations in boutique hotels in Valletta, Malta?

Research Question 3. What are the firm-level knowledge-based dynamic capabilities that are applied to systematically transform knowledge resources into innovations in boutique hotels in Valletta, Malta?

Research Question 4. What are the characteristics of the innovations implemented in boutique hotels in Valletta, Malta?

Four research questions have been set forth in this study as they have been designed to address innovation from a multi-dimensional perspective, accounting for inputs (knowledge resources), transformation processes and outcomes (Krizaj et al., 2014). This approach and the subsequent emphasis placed on exploring numerous facets of innovation simultaneously proves an all-encompassing lens to investigate and capture innovation from a holistic perspective in one situated context (boutique hotels).

To address the research questions comprising this study, the following section presents a discussion on the philosophical underpinnings employed to guide the research design and the data collection efforts applied in this investigation.

3.3   Philosophical Underpinnings

This section presents discussions on the philosophical assumptions applied in this research to explore the empirical world (Denzin & Lincoln, 2018; Donmoyer, 2008). This section starts by discussing the research paradigm, illustrating the overarching worldview underpinning this investigation (Mathison, 2005). This is followed by a discussion on the ontology and the epistemology applied to frame "the nature of reality" (Mathison, 2005, p. 300), "what is knowable and who can know it" (Mathison, 2005, p. 300), and "how one can obtain knowledge" (Mathison, 2005, p. 300).

Based on the objective of this research, this study aligned to the postpositivist or interpretive paradigm. This paradigm, which assumes that research is the by-product of socially oriented actions and that facts of existence are the result of socially constructed activities (Willis, 2007) was employed due to three key rationales.

First, the postpositivist paradigm provided a basis to capture the multiple viewpoints of the diverse research participants comprising this study. This was an especially important criterion necessary to address RQ1, where the aim was to consider the ascribed meaning of innovation in boutique hotels from the perspective of those individuals who develop innovations, i.e., practitioners, and those individuals who experience the outcome of innovations, i.e., customers and stakeholders. By applying this paradigm, this study was provided with a framework that was conducive towards the social production of diverse knowledge, this enabled the researcher to capture the unique interpretations and meanings of innovation from the numerous viewpoints of the subjects closest to the phenomenon (Fox, 2008). This philosophical lens also provided a basis to address Gustafsson et al.'s (2020) call

for research that is "more extensive. . . [and] that can provide a more accurate view of the effects of service innovations on customers, employees, firms, ecosystems, and society" (p. 114). Therefore, this paradigm supported the researcher prioritize an understanding of the social reality (Fox, 2008) the research participants in this study possessed of innovation *via* attributing importance towards capturing rich narrative explanations and interpretations of this construct.

Second, the postpositivist paradigm was also applied to address both RQ2 and RQ3, with this philosophical lens aligning to several of the theoretical assumptions taken in this study. In this regard, this study positioned innovation activities as reliant on interdependencies and social processes amongst and between organizational actors, with social processes believed to result in new knowledge and innovation outcomes (Weick, 1969/1979). This aligns with the postpositivist assumption that research participants are active subjects who construct their social reality (Fox, 2008). By applying this philosophical orientation, both micro-foundation processes and knowledge-based dynamic capabilities were explored based on the actions and practices of multiple actors, with strategy making positioned to be messy, bound to a situated context and reliant on social discourse and collaborative actions (Jarzabkowski, 2005). Moreover, due to the emphasis that Nonaka's (1994) Dynamic Theory of Organizational Knowledge Creation places on exploring knowledge transformations based on human activities, shared understandings, experiences and social interactions, an interpretive framework was necessitated to comprehensively explore and understand the role of individual and social interactions in the construction of micro-foundation processes and firm-level capabilities. Thus, through applying the postpositivist paradigm, this exploration was able to attribute importance to the subjective and socially constructed nature of micro-foundation processes and firm-level capabilities, providing a "subjective, dialectic, and

value laden" (Hurworth, 2005, p. 210) understanding of how innovation is constructed in boutique hotels through knowledge resources.

Last, the postpositivist paradigm was required for this research, particularly when exploring the characteristics of the innovations implemented in boutique hotels, i.e., RQ4, as an inductive orientation was necessitated to identify and establish a situated taxonomy/classification system to categorize innovation outcomes specific to boutique hotels. This was required as numerous critiques have been set forth by scholars who have specifically called into question the viability and credibility of utilizing establish innovations scoreboards apt for capturing innovation in manufacturing contexts, e.g., Community Innovation Survey (CIS), in the context of tourism (see, for example, Camisón & Monfort-Mir, 2012; Krizaj et al., 2014; Montresor, 2018; Nordli, 2017). According to scholars, these surveys tend to undervalue "the actual innovation that occurs within this sector [tourism sector]. . . . [where a] number of "hidden" innovations [*sic*] take place" (Camisón & Monfort-Mir, 2012, p. 777). In addition, these surveys are generally unable "to capture more granular forms of change" (Montresor, 2018, p. 768), with the CIS, in particular, only able to document "the tip of the innovation iceberg" (Nordli, 2017, p. 436) in tourism organizations. To counter these shortcomings and to capture and represent the nature of innovation outcomes specific to boutique hotels, the postpositivist paradigm provided the framework necessary to cluster innovations into representative categories based on the rich narrative descriptions of research participants. This approach allowed for the development of a situated taxonomy/classification of innovation outcomes, with the postpositivist paradigm having "provided the opportunity for more enriched data" (Keane & Costin, 2019, p. 610).

Due to the underlying emphasis this research placed on the socially constructed nature of reality and the value of capturing diverse viewpoints, the alternate worldview, i.e., the positivist paradigm, was not congruent with the methodological exigencies of this investigation. This stems from the fact that the positivist paradigm tends to prioritize generalizable empirical results, i.e., statistical deductions, founded on the ontological premise that there is no reality beyond experience (Paley, 2008). These foundational assumptions ran counter to the emphasis that this research attributed to exploring innovation from the viewpoint of the subject's perspective and from a granular and narratively rich orientation (Fox, 2008).

To conceptualize the nature of reality (ontology) and knowledge (epistemology), three interpretive frameworks were given consideration, these are critical realism, social constructionism, and constructivism. This section provides a critical discussion on each of these interpretive frameworks, and it concludes by illustrating the specific epistemological and ontological assumptions adopted in this study.

Critical realism is a frequently applied ontological and epistemological position in strategic management research (Kwan & Tsang, 2001), where it is utilized in empirical analysis that is either positivist or postpositivist (Clark, 2008). This interpretive framework generally places emphasis on the complicated nature of reality, and it also accentuates the role and influence of both agency and structures on human behaviour (Clark, 2008). As a result, critical realism is generally employed in research to explore causality and patterns through processes of abduction (Clark, 2008). Some of the assumptions employed in critical realism include the positioning of managers, with these individuals oftentimes believed to constitute reactive agents solely responsible for information processing (Mir & Watson, 2000).

Likewise, the rationality of the individuals comprising an organization is often assumed to be bound, while the nature of reality is generally viewed as a whole (Mir & Watson, 2000). It is relevant to note that any results derived from a study applying this philosophical lens "are [often] not descriptive but should provide an explanation of patterns identified in data" (Clark, 2008, p. 169). Due to the foundations of critical realism, a notable divergence exists between its core assumptions and those adopted in this research. In this respect, to explore the meaning of innovation, this study prioritized the belief that individuals (research participants) were solely responsible for generating knowledge on this given phenomenon, while these individuals were also believed to comprise diverse and highly subjective perspectives which may, at times, be relativistic, leading to heterogeneous perspectives of this construct. This specific claim ran counter to the emphasis that critical realists tend to place on knowledge independent of humans (Clark, 2008). Second, while this study sought to explore how knowledge resources were transformed into innovations *via* micro-foundation and firm-level processes, which may be viewed as causally related and contingent on structures (Clark, 2008), this study prioritized an in-depth understanding of the elements comprising these causally related structures and focused far less on explaining the principles of causation. In addition, this study positioned managers to comprise active agents responsible for the collective performance of individuals, therefore, managers were acknowledged to represent core members in strategy development activities (Jarzabkowski, 2005). This particular assumption ran counter to the critical realist claim that managers represent reactive agents in organizations (Mir & Watson, 2000). Last, the conceptual model comprising RQ2 and RQ3 presented knowledge as contingent on dialogue between individuals, with intersubjectivity replacing the notion of objectivity. This claim ran counter to the underlying premise of an objective epistemology and ontology as advocated by critical realists.

Aside from critical realism, a subsequent interpretive framework is social constructionism. Ontologically, social constructionism assumes the existence of multiple realities established through social interactions and lived experiences between individuals (Creswell & Poth, 2016). Social constructionism roots the nature of knowledge and reality in social processes (Gergen & Gergen, 2008). Thus, knowledge and reality are not perceived to develop in an individual's mind, however, they are anticipated to result from relationships between individuals (Gergen & Gergen, 2008). Social constructionism proposes that intersubjective understandings derived through a community of individuals leads to an understanding of reality (Gergen & Gergen, 2008). This interpretive framework is generally concerned with the implications knowledge and social constructions exert on the cultural lives of individuals (Gergen & Gergen, 2008), with social constructionism largely influenced by Michel Foucault's concept of knowledge and power dynamics. As a result, oftentimes, social constructionism is employed in research to explore resistance and discontent amongst minority groups (cited in Gergen & Gergen, 2008). This interpretive framework's emphasis on power dynamics and the impact of social constructions on culture, appear to be in contrast with the analytical foci adopted in this study. For these reasons, the constructivist interpretive framework, which also emphasizes the socially constructed nature of knowledge and reality, was deemed most appropriate for this investigation.

A constructivist interpretive framework is founded on the premise that individuals construct their knowledge through social interactions (Constantino, 2008). Ontologically, emphasis in constructivism is generally placed on the existence of multiple realities (Constantino, 2008). Constructivism refutes the concept of an objective reality, instead constructivism focuses on reality as a by-product of contextual differences, subjective perspectives and different sense-making processes (Mir & Watson, 2000). From an epistemological perspective,

constructivism advocates for a monistic subjectivist epistemology (Constantino, 2008). Emphasis in constructivism is placed on understanding phenomena through the interpretive lens, which is perceived as ungoverned by natural laws (Constantino, 2008). This interpretive framework is generally viewed as theory-dependent, thus, theory tends to act as a basis for guiding an investigation into phenomena (Mir & Watson, 2000). In strategic management research, the constructivist interpretive framework considers organizations to be socially generated, while managers are believed to embody a central role in actively constructing the organizational environment through recognizing multiple realities (Mir & Watson, 2000). According to Grand et al. (2015), a constructivist interpretive framework is capable of capturing idiosyncrasy in strategy development activities due to the importance it places on exploring social practices aimed at processes for creation and transformation. Furthermore, according to Mir and Watson (2000), constructivism allows researchers to explore "the context-driven nature of strategy" (p. 950). The constructivist interpretive framework (ontology and epistemology) was applied in this research for two key reasons.

First, constructivism generally emphasizes "understanding" and "meaning-making" (Constantino, 2008, pp. 116-119), these represented prerequisites necessitated in this research when considering the perceived meaning of innovation (RQ1). In this respect, the constructivist framework provided the researcher with a basis to explore innovation as part of the social and lived world of the subjects comprising this study. This allowed for in-depth, contextually sensitive, narratively rich, and explanatory understandings of innovation to emerge. Second, constructivism tends to emphasize the role of multiple social actors in strategy development activities, it focuses on understanding multiple social realities, and it frames knowledge construction as dependent on social interactions (Constantino, 2008; Mir & Watson, 2000). These underpinnings were particularly invaluable when exploring RQ2

and RQ3, where emphasis was placed on accounting for the messy, human-centric and complex nature of knowledge creation processes and innovation. Therefore, the constructivist lens enabled this study to accentuate and explore the role of social interactions in knowledge creation processes, a central premise underpinning Nonaka's (1994) Dynamic Theory of Organizational Knowledge Creation. Last, constructivism tends to position strategy development as context-dependent (Mir & Watson, 2000), this assumption provided this exploratory investigation with a basis to consider and evaluate the impact and the role of context on innovation, providing a framework for an enriched understanding of how contextual factors shape innovation processes and outcomes.

Building on the philosophical assumptions employed in this study, the following section presents a discussion on the research methods adopted to investigate RQ1 to RQ4.

3.4 Research Methods

This section discusses the research methods that were implemented to address the four research questions comprising this investigation. Table 3.1 below presents a summary of the research methods, and the coding practices applied to collect and analyse data in this study.

Table 3.1 Research Methods and Coding Practices

	BHOs	**BHMs**	**Stakeholders**	**Boutique Hotel Customers**
Sampling technique	Purposive sampling	Purposive sampling	Purposive sampling	Purposive sampling
	Convenience sampling	Convenience sampling	Snowball sampling	
Data collection methods	Semi-structured interviews	Semi-structured interviews	Semi-structured interviews	Focus groups
Data acquisition methods	In-person and online interviews	In-person and online interviews	In-person and online interviews	Online focus groups
Data analysis methods	Open coding	Open coding	In-vivo coding	In-vivo coding
	Axial coding	Axial coding	Concept coding	Concept coding
	Structural coding	Structural coding	Structural coding	Structural coding
	Provisional coding	Provisional coding		
	Causation coding	Causation coding	Constant comparative method	Constant comparative method
	Constant comparative method	Constant comparative method		

(Source: Author)

Three key discussions are advanced in the following section. First, a discussion on the qualitative methodology adopted in this study is presented. This is followed by a critical discussion on the research participants comprising this study. Last, an overview of the different data collection methods implemented to acquire data from the respective sample populations is set forth.

3.4.1 Qualitative Methodology

Based on the philosophical underpinnings comprising this study, the empirical analysis constituting this research was conducted through the application of a qualitative methodology which, according to Denzin and Lincoln (2018) refers to "a situated activity that locates the observer in the world. Qualitative research consists of a set of interpretive, [and] material practices that make the world visible" (p. 10). Through the application of this methodology, this study was able to address and investigate RQ1 to RQ4 from a personal, in-depth, and context-dependent perspective (Denzin & Lincoln, 2018). In this respect, innovation in boutique hotels was explored by way of dialogues with research participants (Flick, 2007), providing these individuals with an open and safe space to express their personal and lived experiences of innovation and their subsequent experience of constructing innovations *via* knowledge resources. In addition, the application of this methodology aided the researcher probe participants to elaborate further on certain topics, allowing for more personal and critical reflections to emerge.

By applying the qualitative methodology, the researcher was provided with a framework to explore the nuances constituting innovation, providing a basis to understand how different research participants perceive and define this construct. In addition, this approach assisted

the researcher to investigate and uncover how different contextual factors influence perceptions, and it simultaneously supported the research to identify what is considered new and valuable to whom, i.e., different respondent groups. By employing this methodology, the researcher was able to account for variability in interpretations of innovation, providing a foundation to uncover the multifaceted nature of innovation in this context.

Through the application of this methodology, the researcher was able to establish a good rapport with boutique hotel practitioners, this supported both reflexivity and denser findings (Cassell et al., 2018) when exploring the innovation process, and it also led to the identification and eventual inclusion of stakeholders as part of this study. In this case, during interviews with several boutique hotel practitioners, the dialogues established between the researcher and the research participants, encouraged respondents to identify and discuss stakeholders in Malta who would be of interest in this study due to their role in the tourism ecosystem. Therefore, it is only through the application of this methodology and the good rapport fostered between the researcher and the research participants that this study gained insights from stakeholders in the local tourism industry.

Moreover, the qualitative methodology was particularly facilitative when exploring micro-foundation practices and knowledge-based dynamic capabilities, as it allowed for nuanced details about the innovation process in boutique hotels to be captured, including any unique challenges faced by practitioners during this process and key practices applied within this sector. This approach allowed for an extensive, in-depth, and multi-level analysis of knowledge transformation processes by providing a basis for research participants to create connections and form representations between micro-level practices and firm-level processes.

The qualitative methodology also provided a framework to establish detailed categorizations of innovation in boutique hotels. This supported the development of a typology of innovation that spans numerous dimensions relevant to boutique hotels. This categorization was imperative to investigate the breadth and depth of innovations in boutique hotels. Moreover, this methodological approach assisted the researcher explore the impacts of contextual changes on innovation, providing a basis to understand the negative and positive implications of environmental dynamism on innovation and any key drivers supporting innovation during contexts of change. Furthermore, this approach allowed for an in-depth exploration of the impacts of different ownership structures on innovation.

Building on the preceding, the following section introduces and describes the sample populations comprising this study.

3.4.2 Research Participants

To address RQ1 to RQ4, data was obtained from four different respondent groups, these are boutique hotel owners (BHOs)/boutique hotel owner-managers (BHOMs), managers (BHMs), customers, and stakeholders in the local tourism industry. A discussion on the rationale for including each respondent group is explained below.

- **Boutique Hotel Owners (BHOs) and Boutique Hotel Owner-Managers (BHOMs)** – BHOs/BHOMs were included as a respondent group in this study for two reasons. First, as advocated in the literature, owners and owner-managers, due to their ownership rights, generally comprise decision-making prerogatives,

organizational power, and centralized control over organizational resources (Crossan & Berdrow, 2003; Gutierrez et al., 2008), making these individuals particularly influential in determining both the day-to-day activities of their organizations and the strategic orientation of the respective organization. Thus, BHOs/BHOMs, due to their responsibilities and power, were believed to represent well-informed respondents able to discuss and describe innovation from a narratively rich and reflexive position, allowing for a comprehensive understanding of innovation to emerge. Second, BHOs/BHOMs were included in this study as several empirical analyses have presented mixed findings when exploring the impact of different ownership structures on the innovation activities of tourism enterprises (see, for example, Backman et al., 2017; Jacob et al., 2003; Martínez-Ros & Orfila-Sintes, 2009; Orfila-Sintes et al., 2009; Orfila-Sintes & Mattsson, 2009; Pikkemaat & Peters, 2006; Vila et al., 2012; Wikhamn et al., 2018; Rodríguez-Victoria et al., 2017), making this a particularly relevant factor to account for and to concurrently investigate in this study.

- **Boutique Hotel Managers (BHMs)** – BHMs were included in this research as the literature in tourism and hospitality management generally positions managers in tourism enterprises to represent the most well-informed and conversant individuals in organizational processes and procedures, they have also been acknowledged to play a central role in knowledge management processes and they have been recognized as key actors in strategy development activities (Garrido-Moreno et al., 2014). Given their predominant role, a number of empirical analyses in the tourism and hospitality management literature have solely focused on acquiring data on innovation activities *via* managers (see, for example, Enz & Way, 2016; Hameed et

al., 2021; Martínez-Ros & Orfila-Sintes, 2009; Meira et al., 2019; Montalvan-Burbano et al., 2019). In this respect, Pascual-Fernández et al. (2020) stated that "senior management often has a high level of knowledge and control over strategic information" (p. 2765), with these individuals believed to be "in the best position to provide critical insights into firm practices, processes, and outcomes" (Pascual-Fernández et al., 2021, p. 6). Therefore, BHMs, similar to BHOs, were included in this research as they were believed to be in a suitable position to shed light on innovation from a holistic perspective. In addition, given that "the role of individual managers has begun to assume greater importance in an emerging literature on the microfoundations of dynamic capabilities for organizational adaptation and change" (Helfat & Peteraf, 2015, p. 831), managers were believed to represent key informants with the knowledge and expertise necessitated to address innovation from a multi-level perspective.

- **Boutique Hotel Customers** – customers who lodged in a boutique hotel in Malta or Gozo were included in this research as these individuals generally mirror the end users of some of the innovations implemented in these lodging provisions. However, at the time of conducting this study, the perception of these respondents on innovation remained largely unaccounted for in the literature (see, for example, Baradarani & Kilic, 2018; Chen, 2011; Hernández-Perlines et al., 2019; Jacob et al., 2003; Li et al., 2022; Ottenbacher et al., 2012; Volo, 2006; Wikhamn et al., 2018). With tourism enterprises often implementing innovations to enhance customer satisfaction (Shin et al., 2019) and improve customer retention rates (Xuhua et al., 2018), it was considered relevant to explore customer perceptions of innovation to better comprehend what aspects of boutique hotels were considered novel relative to

customer opinions, beliefs and wants. This facilitated the researcher to reveal the types of innovations that resonated with these actors. Furthermore, customers offered a user-centric viewpoint that was capable of accentuating which types of elements held most value to them, this ensured that any innovations BHMs and BHOs might have overlooked when defining this construct were captured. By capturing customer perceptions of innovation, this study was able to acquire insights into the emotional and experiential impact of innovation, which was necessary to shed light on value from a holistic perspective.

- **Stakeholders in the Local Tourism Industry** – stakeholders in the tourism industry in Malta were included in this research based on the recommendation of a few BHOs and BHMs. According to these respondents, stakeholders were believed to be in a suitable position to provide this study with an enriched and contextualized understanding of innovation in local boutique hotels. After an initial interview was conducted with a local stakeholder and following the analysis of the data gathered in this interview, the researcher determined that stakeholders were suitable for inclusion in this study for two reasons. First, stakeholders were in a strategic position to provide a comprehensive understanding of the boutique hotel phenomenon in Valletta, Malta, especially their evolution. This was relevant as a contextualized and in-depth comprehension of the boutique hotel phenomenon in Valletta, Malta, was not available at the time of this study. Therefore, data collected from stakeholders supported a better understanding of the unique developmental paths of boutique hotels. Moreover, stakeholders contributed valuable insights on the nuanced dynamics of the local market and the nature of the relational ties established between different boutique hotels. These insights were relevant to shed

light on how different competitive and cooperative relational ties impacted innovation in boutique hotels. Second, stakeholders also enriched this research by contributing novel insights on the perceived meaning of innovation in boutique hotels, offering perspectives that extend beyond the operational perspectives provided by BHOs and BHMs. Tourism stakeholders in Malta, with their extensive knowledge of innovations relative to the local tourism industry, were in a position to provide a rich interpretive viewpoint of innovation, leading to a more robust and contextualised perspective of this phenomenon, i.e., innovation in boutique hotels. In this respect, stakeholders provided this research with a multi-dimensional perspective of innovation relative to the local market.

Based on the different respondent groups comprising this research, the following section presents a discussion of the data collection methods employed in this study.

3.4.3 Data Collection Methods

This section discusses the data collection methods applied to acquire data from BHOs/BHOMs, BHMs, customers, and stakeholders in the local tourism industry. An illustration of the different data collection techniques implemented to explore RQ1 to RQ4 by each respondent group is presented in Table 3.2 below and described in the forthcoming section.

Table 3.2 Data Collection Methods

Research Focus	Respondent Group	Data collection method
RQ1: Perceived meaning of innovation	BHOs	Semi-structured interviews
	BHOMs	
	BHMs	
	Stakeholders	
	Boutique hotel customers	Focus groups
RQ2: Micro-foundation processes	BHOs	Semi-structured interviews
	BHOMs	
	BHMs	
	Stakeholders	
	Boutique Hotel Customers	Focus groups
RQ3: Firm-level processes	BHOs	Semi-structured interviews
	BHOMs	
	BHMs	
RQ4: Innovation outcomes/characteristics	BHOs	Semi-structured interviews
	BHOMs	
	BHMs	

(Source: Author)

Research Question One

To investigate RQ1, which sought to explore how innovation in boutique hotels in Malta was perceived by BHOs/BHOMs, BHMs, customers, and stakeholders in the local tourism industry, two different data collection methods were applied. First, data was collected through semi-structured interviews from BHOs/BHOMs, BHMs, and stakeholders. Second, data was collected by way of focus groups from boutique hotel customers. The following section presents a discussion on the rationale for applying these data collection methods.

Semi-structured interviews with BHOs/BHOMs, BHMs, and stakeholders in the local tourism industry were applied in this study as they provided a basis to "understand [the] themes of the lived daily world from the subjects' own perspectives" (Kvale, 2007, p. 11). Therefore, this method of collecting data enabled the respondents in this research to explain, detail and discuss their personal beliefs, ideology, perception and lived experience of innovation, leading to a narratively rich and broad perspective of this construct. Furthermore, semi-structured interviews were adopted as they were able to "give [a] voice to common people, allowing them to freely present their life situations in their own words" (Kvale, 2006, p. 481). This was particularly important to account for when investigating the perceptions of BHOs/BHOMs, BHMs, and stakeholders of innovation, as these respondents, who oftentimes experience, cultivate, and implement innovations, comprise first-hand experience of this construct. By employing semi-structured interviews, a framework for the in-depth exploration of individual narratives and experiences of innovation was cultivated, this was considered relevant in order to capture the multifaceted nature of this construct. Due to the flexibility of semi-structured interviews, combined with the emphasis this method places on exploring the subjective meanings and realities of research participants, this data collection

method was found to represent the most effective medium to liberate the voices of those individuals who possess the know-how about innovation. Thus, through the dialogues established by way of the semi-structured interviews, an in-depth, individual, and personal account of the reality and beliefs respondents had of innovation was able to emerge.

In addition to semi-structured interviews, to explore RQ1, data was also gathered from boutique hotel customers *via* focus groups, which represents a qualitative form of interviewing where interaction among participants is encouraged based on researcher-led discussions (Morgan, 2008a). Focus groups were applied for two reasons. First, focus groups allowed for the collection of qualitative data from a large number of respondents in real-time and simultaneously. This method supported dynamic interactions between respondents, with the group setting fostered in focus groups allowing for the exchange of ideas, the development of respondent comments, discussions on contradictions and deeper insights to emerge. Second, similar to semi-structured interviews, focus groups were able to provide a basis to collect narratively rich data, with this method comprising the added benefit of exploring innovation by way of collective discussions.

Research Question Two

To explore RQ2, i.e., micro-foundation processes, which required insights from BHOs/BHOMs, BHMs, stakeholders and customers, data was collected using two different methods. These are semi-structured interviews and focus groups.

To explore the micro-foundation processes used in boutique hotels to transform knowledge resources into innovations, semi-structured interviews were conducted with boutique hotel

owners and managers. Furthermore, to investigate the nature of knowledge sharing practices between boutique hotels in Valletta, Malta, semi-structured interviews with stakeholders were also conducted. This method was selected as it "provides a different perspective, enabling the researcher to step outside the framework of conventional thinking. This allows a renewed focus on the subjects and event participants in the process" (Li et al., 2022, p. 402). Semi-structured interviews with BHOs/BHOMs, and BHMs supported the researcher narratively explore and learn about the daily practices, collective processes and the decision-making paths applied in boutique hotels to transform knowledge resources into innovations. In addition, this approach facilitated the researcher capture and detail the large variety of diverging practices used at the micro-foundation level to operationalize innovation. Therefore, semi-structured interviews provided a flexible basis to uncover the breadth of practices applied in boutique hotels, this contributed to an in-depth understanding of the different innovation trajectories comprising boutique hotels and it simultaneously supported a rich investigation of the impact of ownership structures on micro-level practices. By applying semi-structured interviews, the researcher was able "to come to a new understanding of "why" and "how" innovative actions are carried out" (Li et al., 2022, p. 402), this was particularly invaluable when exploring micro-level practices which, oftentimes, diverge. In addition, by way of semi-structured interviews with stakeholders, the researcher was able to explore the nature and the dynamics prevalent between BHOs/BHOMs and BHMs in boutique hotels in Valletta, Malta. This supported a broader perspective of knowledge sharing activities from multiple viewpoints.

To explore the role of customers in the innovation process, this research relied on focus groups. Focus groups were applied as led to the generation of in-depth knowledge (Morgan, 1996). This supported an amplified and rich understanding of the role customers played in

the innovation process of boutique hotels. Moreover, by way of this data collection method, the researcher was able to investigate the complex behaviours of boutique hotel customers and their subsequent motivations for engaging in innovation activities (Morgan, 1996). In addition, focus groups were particularly facilitative as they allowed the "participants [to] both query each other and explain themselves to each other" (Morgan, 1996, p. 139). *Via* the interactive nature of focus groups, the researcher was provided with a flexible basis to explore the nuanced perspectives of boutique hotel customers. This approach was able to illustrate the diverse attitudes and expectations of customers towards innovation in this particular context and it was also able to underscore the willingness of customers to participate in the innovation process of these organizations. By way of the discussion that occurred in focus groups, the researcher was able to capture multi-dimensions insights that shed light on the role of these individuals in the innovation process. This was key in order to investigate whether and how customers contribute towards innovation activities in boutique hotels.

Research Question Three and Four

To explore RQ3 and RQ4, which required data from BHOs/BHOMs and BHMs, semi-structured interviews were applied. As previously discussed, this data collection method was given preference as it allowed for "descriptions of how interviewees experience their world, its episodes and events" (Brinkmann, 2018, p. 580) to evolve in a narratively rich and reflective manner. In turn, this research relied on the detailed and individual-specific data collected by way of this methodology to avoid the development of a reductionist perspective of the innovation process. This was done by placing emphasis on capturing the human-centric and complex nature of knowledge-based dynamic capabilities.

In addition, semi-structured interviews were able to provide the researcher with a sense of focus through pre-established interview questions, however, at the same time, this form of interviewing provided a basis for probing. The ability to probe interviewees was considered relevant in this research as innovation, when viewed from both a process-oriented perspective and as an outcome, was believed to be susceptible to elicit abstract or superficial answers from interviewees. Therefore, follow-up questions were necessary to acquire more in-depth and accurate information from interviewees.

In sum, semi-structured interviews were applied to collect data as they were believed to provide a basis for the comprehensive investigation of the perspectives and experiences of boutique hotel owners and managers concerning both the character of innovation and the innovation process, leading to an expansive, realistic, and practitioners-driven standpoint of innovation.

To identify relevant sample populations for inclusion in this research and to effectively deploy the data collection techniques set forth above, the following section discusses the sampling criteria and the techniques applied in this investigation to recruit research participants.

3.5   Sampling Criteria

This section provides a discussion on the sampling criteria applied to identify eligible boutique hotels, BHOs/BHOMs, BHMs, local tourism stakeholders and customers to participate in this research.

3.5.1   Sampling Criteria: Boutique Hotels

Identifying relevant boutique hotels for inclusion in this study was a rather complex task as, at the time that this research was conducted, both internationally and nationally, no legally entrenched classification systems were available to regulate these types of accommodation provisions (Ghaderi et al., 2020; Loureiro et al., 2020). Moreover, when assessing the sampling criteria deployed in peer-review articles to identify boutique hotels, disparate sampling criteria were observed (see, for example, Buhagiar et al., 2024), this led to an amplified sense of elusiveness concerning the core attributes and sampling parameters which could be used in this research to locate relevant boutique hotels. As a result, the researcher could not rely on national statistics to locate boutique hotels on the island.

To overcome these limitations and to identify boutique hotels in Valletta, Malta for inclusion in this research, five sampling parameters were applied based on the literature review conducted in Chapter 2, these are outlined in Table 3.3 below. To establish these criteria, the researcher cross-analysed the literature to identify convergences between the attributes of boutique hotels in the international literature and the local literature. This provided a robust basis to recognize, categorize, and select local boutique hotels. It is relevant to note that the

sample criterion ownership structure was the only sampling parameter solely addressed in the international literature, however, this parameter was included in this study as several authors have provided empirical evidence to illustrate the impact of different ownership structures on innovation (see, for example, Backman et al., 2017; Jacob et al., 2003; Martínez-Ros & Orfila-Sintes, 2009; Orfila-Sintes et al., 2005; Orfila-Sintes & Mattsson, 2009; Pikkemaat & Peters, 2006; Vila et al., 2012; Wikhamn et al., 2018; Rodríguez-Victoria et al., 2017). An in-depth discussion of the five sampling parameters applied to identify boutique hotels in Valletta, Malta is set forth in the next section.

Table 3.3 Sample Criteria for Boutique Hotels

Sampling Criteria	Description	Author/s
Location	City centres	Lim & Endean (2009)
		Mirabelli (2022)
	UNESCO heritage site	Goh (2015)
		Henderson (2011)
		Navarrete Escobedo (2020)
		Rahman (2018)
Property type	Heritage premises	Lowe et al. (2012)
		Rahman (2018)
		Vassallo (2014)
Internal décor	Thematized	Dev & Keller (2014)
		Galea (2012)
		Loureiro et al. (2020)
Service design	Personalized services	Chang (2010)
		Galea (2012)
		Gross & Pullman (2012)
		Jones et al. (2013)
		Lim & Endean (2009)
		Manning et al. (2018)
		Vassallo (2014)
Ownership structure	Independently owned boutique hotels	Chang (2010)
		Chang & Teo, 2009
		Lim & Endean (2009)
	Chain-owned boutique hotels	Lowe et al. (2012)
		Dev & Keller (2014)

	Multi-sector group-owned boutique hotels	Gross & Pullman (2012)
		Lim & Endean (2009)

(Source: Author)

Figure 3.1 Map of Valletta, Malta
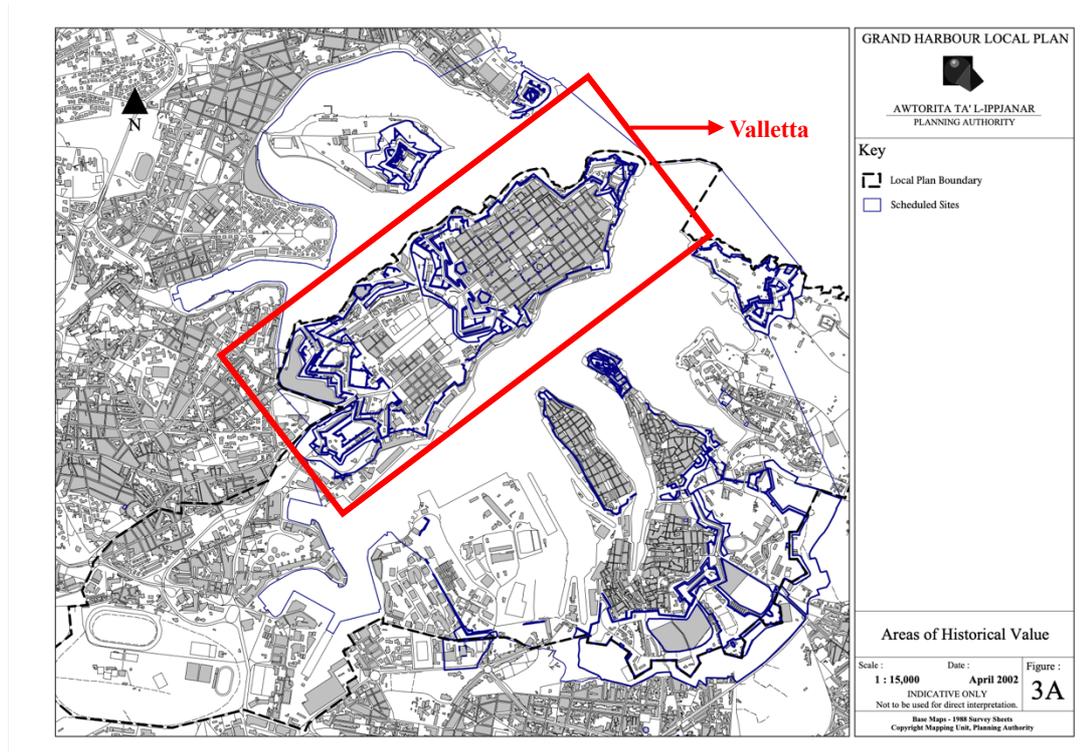
(Source; Planning Authority, http://geoserver.pa.org.mt/publicgeoserver)

- **Location** – Valletta, Malta's capital city, was selected as the location to identify boutique hotels as, at the time that this study was conducted, Valletta was acknowledged in the literature as a hub for these types of accommodation (Ebejer, 2019, 2020; Ebejer et al., 2021) and Valletta was also considered as a distinct cultural destination in Malta (Ebejer, 2019, 2020), making it unique when contrasted against other regions and tourism products on the island. Given the uniqueness of Valletta,

paired with this destination's subsequent designation as Malta's prime cultural zone, a sole focus on this location was necessitated to contextualize boutique hotels. This facilitated a rich understanding of Valletta as a destination, and it provided a basis to acquire in-depth insights into the evolution of the boutique hotel phenomenon in Malta's capital city. Second, a sole focus on Valletta was necessitated to explore the market dynamics of hoteliers in this specific location, and to assess whether and how these dynamics impacted innovation.

- **Property type** – in this study, only boutique hotels located in heritage premises were considered for inclusion in the sample, with two reasons having governed this decision. First, in the literature, several authors have associated boutique hotels with heritage buildings, making this a fundamental attribute comprising these types of accommodation provisions (see, for example, Lowe et al., 2012; Rahman, 2018; Vassallo, 2014). Second, the heritage nature of a premises is an observable criterion, this allowed the researcher to identify relevant boutique hotels for inclusion in this study through observing images on booking.com or by investigating the respective hotel's website where, oftentimes, hoteliers listed the time period when the hotel's premises was established. To identify boutique hotels located in a heritage premises in Valletta, Malta, this study abided by the parameters set forth in the Cultural Heritage Act (2002). Accordingly, this research considered heritage buildings to comprise archaeologically, historically, or architecturally valuable sites. Typically, heritage buildings in Malta constitute houses of character, town houses or *palazzini*. Generally, these premises are built out of masonry limestone construction, the roofing systems traditionally consist of masonry arches/wooden beams with stone slab roofing (*xorok*), and apertures tend to be constructed out of wood with a vivid

colour palette. Flooring is often made from stone slab '*ciangatura*' or traditional hand-made Maltese cement tiles with varied intricate patterns. In *palazzini* it is common to find flooring covered in marble.

- **Internal Décor** – a subsequent sampling parameter applied in this research to identify relevant boutique hotels situated in Valletta, Malta, included thematized internal décor, which was selected for two reasons. First, thematized internal décor is often described as a defining attribute of boutique hotels with, for example, Chang (2010) having stressed that these accommodation provisions often represent "stylised environments that transport visitors to different times and worlds" (p. 963), with a number of themes deployed in boutique hotels to cultivate novel servicescapes. In this respect, themes vary from murals on walls with disproportionately large art, to provocative art (Chang & Teo, 2009) and culturally sensitive art (Chang, 2010), e.g., Malay-Chinese themes, British colonial themes, and post-modernist themes (Chang & Theo, 2009). Second, assessing the degree of thematization present in boutique hotels was tangible and observable, making this a sound criterion to identify boutique hotels. In this regard, certain parameters were established to aid the researcher identify thematized décor including, for example, the use of unusual colour palettes in the hotel's design, provocative art or the excessive use of art in the hotel, uniquely themed rooms, curated furniture designed specifically for the hotel and the application of cultural themes, e.g., British colonialisation themes and traditional Maltese themes/designs.

- **Service design** – a subsequent attribute used to identify boutique hotels for inclusion in this study was the degree of personalization present in the service provision, with

these hotels found to provide intimate, personal (Vassallo, 2014) and customizable (Galea, 2012) service offerings. Due to the intangible nature of service design, especially humanistic cues, which generally involve, for example, employees/managers establishing intimate connections with guests *via* learning their respective names, spending long durations of time speaking to guests and being able to predict their needs (Ghaderi et al., 2020; Gross and Pullman, 2012; Lim & Endean, 2009), this sampling parameter was gauged during interviews, with respondents specifically asked to describe the service offering.

- **Ownership structure** – a final sampling parameter applied in this research was the ownership structure of boutique hotels, with three specific types of ownership structures considered, these are independently owned boutique hotels, chain-owned boutique hotels and multi-sector group-owned boutique hotels. The rationale for including ownership structure as a sampling parameter in this research was based on the fact that a number of authors have yielded mixed findings when considering the impacts of different ownership structures on innovation (see, for example, Backman et al., 2017; Jacob et al., 2003; Orfila-Sintes et al., 2005; Orfila-Sintes & Mattsson, 2009; Pikkemaat & Peters, 2006; Vila et al., 2012; Wikhamn et al., 2018; Rodríguez-Victoria et al., 2017), making this a relevant variable to consider when exploring the innovation process from a multi-level perspective. It is relevant to note that franchises were excluded from this research as this ownership structure is not typical of boutique hotels (Buhagiar et al., 2024). In addition, franchises tend to place emphasis on aesthetic standardization, and they "are often constrained by franchise agreements from deviating from existing standards and processes" (Enz & Way, 2016, p. 97). Given the emphasis that franchises place on standardization, this was

in direct conflict with the importance boutique hotels attribute to idiosyncratic internal décor. For this reason, franchise hotels were excluded from the sample.

In addition to boutique hotels, sample criteria were also established to identify BHOs/BHOMs. These are discussed in the next section.

3.5.2 Sampling Criteria: BHOs/BHOMs

To identify and select eligible BHOs/BHOMs for inclusion in this research, five sampling criteria were applied, these are:

- **Ownership** - in the context of this study, BHOs/BHOMs constituted "individuals who conceive[d], launch[ed], and assume[ed] the risk for new economic activities in the form of a business venture" (Turner & Endre, 2017, p. 34). To be eligible for this investigation, BHOs/BHOMs had to identify themselves as ultimate beneficial owners prior to interviews. This was done either through BHMs recommending the owner/owner-manager himself/herself for an interview, or by the BHO/BHOM identifying himself/herself in email correspondence with the researcher prior to interviews.

- **Decision-making rights** - in this study, BHOs/BHOMs were identified through their ability to effectuate critical and strategic decisions including, for example, the development of collaborative relations with external stakeholders, decisions related

to resource allocation and decisions pertaining to organizational expansion (Penrose, 1959/2009). This criterion was explored during interviews with BHOs/BHOMs.

- **Resource allocation and resource distribution** – BHOs/BHOMs, who are the most empowered individuals within the organisation, were identified through their ability to regulate the distribution, access, and allocation of organizational resources (Pfeffer & Salancik, 2003). Thus, BHOs/BHOMs comprise centralised control over organizational resources and a degree of power in the hotel's infrastructure (Pfeffer & Salancik, 2003). This criterion was assessed during interviews.

- **Language of respondent** – to be eligible for this investigation, BHOs/BHOMs had to be able to express themselves in the English or the Maltese language.

- **Availability** - to be eligible for this investigation, BHOs/BHOMs had to be available for a one-hour interview on Zoom or in-person.

3.5.3 Sampling Criteria: BHMs

In this research, five sampling parameters were established to identify eligible BHMs, including:

- **Role** – BHMs were identified based on their functional duties, which included their overarching responsibility for organizational performance and outcomes through administrative functions and coordinated activities (Goodman & Dingli, 2013;

Pfeffer & Salancik, 2003). Likewise, BHMs were considered to be held accountable to BHOs, they were perceived to set organizational objectives, and they were believed to be actively involved in new projects and innovations. This criterion was assessed in two ways. First, respondents were asked to indicate their role in the boutique hotel prior to any scheduled interviews, this enabled the researcher to assess the formal designation of the respondent. Second, during interviews, respondents, in this case BHMs, were asked to provide an in-depth overview of their role and responsibilities.

- **Decision-making rights** – given the functional duties of BHMs, these individuals were believed to comprise a degree of authority to effectuate a defined set of decisions in boutique hotels (Penrose, 1959/2009). Generally, such decisions were associated with the day-to-day administrative activities of the organisation (Penrose, 1959/2009). Thus, in the context of this study, eligible BHMs included individuals who were able to effectuate decisions pertaining to the day-to-day functioning of the respective boutique hotel, with this criterion assessed during interviews.

- **Tenure** - eligible BHMs must have had at least six months of experience in their management role. Due to the fact that tacit knowledge increases over time, and awareness of markets, prices, consumer preferences and trends also increases over temporal lengths (Penrose, 1995/2009), managers who had been working in their respective boutique hotel and in their management role for approximately six months or longer were found to be in a suitable position to describe the boutique hotel's infrastructure, routines, norms, resource allocation processes, innovation processes and external environment (Penrose, 1959/2009). It is relevant to note that this

criterion was also assessed during interviews, where managers discussed their work experience in the respective hotel.

- **Language of respondent** – to be eligible for this investigation, BHMs had to be able to express themselves in the English or the Maltese language.

- **Availability** - to be eligible for this investigation, BHMs needed to be available for a one-hour interview on Zoom or in-person.

3.5.4 Sampling Criteria: Stakeholders

To determine the eligibility of stakeholders in the local tourism industry, four sampling criteria were applied, these are:

- **Role** – in this research, stakeholders refer to "an entity with a stake (interest) in the subject activity" (McGrath & Whitty, 2017, p. 730), with two classes of stakeholders considered in this study, including primary stakeholders and secondary stakeholders. Primary stakeholders refer to individuals who actively participate in an organization to sustain its activities, e.g., government, consultants, and architects (McGrath & Whitty, 2017). Secondary stakeholders refer to interest groups who exert some degree of power/control or affect an organization, e.g., associations etc. (McGrath & Whitty, 2017). Based on the categorizations of stakeholders adopted in this study, these individuals were identified through their predominant role and vested interest in the tourism sector in Malta, this was also substantiated during interviews. To

qualify as a stakeholder, individuals needed to comprise some degree of stake, influence or decision-making prerogative/s which could potentially impact the tourism industry and the accommodation sector in Malta.

- **Experience** – to qualify for this study, stakeholders in the local tourism industry needed to possess expansive knowledge of both the local tourism industry and the boutique hotel sector in Malta. Due to the public nature of stakeholders, the experience of such personnel was determined through online searches, and this was later validated in interviews.

- **Language of respondent** – stakeholders eligible to participate in this investigation had to be able to express themselves in the English or the Maltese language.

- **Availability of respondent** - to be eligible for this investigation, stakeholders were required to be available for a one-hour interview on the Zoom platform or in-person.

3.5.5 Sampling Criteria: Boutique Hotel Customers

To identify eligible boutique hotel customers for focus groups, a number of sampling criteria were applied, these are:

- **Age of respondent/s** - to abide by the Research Code of Practice established by the University of Malta, customers eligible to participate in this research included individuals aged 18 and over.

- **Lodging in a boutique hotel** - for customers to participate in this study, a boutique hotel in Malta or Gozo constituted the accommodation type customers lodged in. This sampling parameter was ascertained through a pre-focus group screening survey, where respondents were asked to indicate the attributes of the boutique hotel/s they lodged in (see Appendix A).

- **Timeframe (years) of the respondents stay** - to be eligible to participate in this study, customers had to lodge in a boutique hotel in Malta or Gozo between 2018 to 2021. This criterion was assessed *via* the pre-focus group screening survey (see Appendix A). This sampling parameter ensured that the experiences of participants were both recent and relevant, this supported reliable recollections of a participant's experience at a boutique hotel.

- **Duration of the respondents stay** - for customers to be eligible to participate in this research, the duration of their stay (from check-in to check-out) in a boutique hotel had to constitute at minimum 2 nights, this was also assessed in the pre-focus group screening survey (see Appendix A). This minimum stay requirement was established to ensure that focus groups participants understood the unique offerings of a boutique hotel. Moreover, this timeframe guaranteed that customers had the duration necessary to immerse themselves in the hotel's environment, amenities, dining experiences, and personalized touches. This made certain that focus group participants comprised the necessary knowledge to engage in comprehensive discussions on innovation in boutique hotels.

- **Location of the boutique hotel** – to participate in focus groups, customers had to lodge in a boutique hotel located in Malta or Gozo.

- **Language of respondent** - customers eligible to participate in this investigation had to be able to express themselves in the English or the Maltese language.

- **Availability of respondents** - to be eligible for this investigation, customers had to be available for a one-hour focus group on the Zoom platform.

Building on the sampling criteria listed above, the following section describes the sampling techniques applied in this study.

3.6   Sampling Technique

This section describes the sampling techniques that were implemented to select and recruit relevant respondents in this research.

3.6.1 Sampling Technique: Boutique Hotels

The sampling technique implemented in this research to identify relevant boutique hotels for inclusion in this study comprised purposive sampling. This technique was selected to ensure that all of the boutique hotels comprising this study abided by the sampling parameters. To locate eligible boutique hotels, a number of steps were implemented, these are discussed below.

The first step taken by the researcher to identify boutique hotels for inclusion in this study was the development of a hotel database specific to Valletta, this was done to gain insight into the number and types of accommodation provisions situated in Malta's capital city. To establish this database, this study relied on www.booking.com as a basis to catalogue accommodation provisions in Valletta, Malta. An excerpt taken from this database can be found in Appendix B. Based on the results returned from several searches conducted on www.booking.com between 15th April 2021 to 18th March 2022, 166 different types of accommodation provisions were recorded in Valletta, Malta.

Table 3.4 Types of accommodation in Valletta, Malta

Accommodation Type	Number of respective Accommodation Provisions in Valletta
Apartment (Airbnb)	110 apartments
Guesthouse	10 guesthouses
Self-catering apartments/studios	2 self-catering apartments/studio
House/town house	9 houses/town houses
2-to-5-star hotels	5 star-rated hotels
Boutique hotels	30 boutique hotels

(Source: Author)

In line with Table 3.4 above, out of the 166 different types of accommodation provisions situated in Valletta, Malta, only 30 boutique hotels were identified based on the sampling criteria set-forth in this study, with particular importance attributed to the location of these hotels (Valletta), the property type (heritage premises), and the décor utilized to furnish these respective hotels (thematized). As discussed, the ownership structure and the service design comprising these respective hotels was addressed during the interview stage, where interviewees were asked to discuss and elaborate on these two specific sampling parameters. Therefore, in the context of this study and based on the sampling criteria established to identify boutique hotels in Valletta, Malta, the sample population comprising this study was 30 boutique hotels as of 18th March 2022.

Out of these 30 boutique hotels, the researcher managed to gain access to respondents from 14 boutique hotels located in Valletta, Malta. This represents 46.66% of the total sample (n=30 boutique hotels). It is relevant to note that at the time of conducting this study, out of the 30 boutique hotels identified in Valletta, several hotels were temporarily closed due to Covid-19. Although the research attempted to contact hoteliers in these respective

enterprises several times, these participants were unavailable. In addition, some hotels declined to participate in this study due to on-going concerns related to the health crisis. An overview of the different ownership structures adopted in the boutique hotels comprising this study is presented in Table 3.5 below.

Table 3.5 Ownership Structure of the Boutique Hotels Constituting this Study

Ownership structure of boutique hotel	Number of hotels comprising this sample
Independently owned boutique hotel	9 hotels
Chain-owned boutique hotels	2 hotels
Multi-sector group-owned boutique hotels	3 hotels

(Source: Author)

3.6.2 Sampling Technique: BHOs/BHOMs and BHMs

After identifying relevant boutique hotels for inclusion in this study, interview participants from these hotels, specifically, BHOs/BHOMs and BHMs, were recruited through both purposive sampling and convenience sampling. Purposive sampling, which refers to selecting respondents based on pre-established criteria (Vogt, 2005), was applied in this research as it provided the researcher with a basis to identify "participants who are likely to provide data that are detailed and relevant to the research question" (Oliver, 2006, p. 245). Therefore, through the application of purposive sampling, the researcher ensured that the respondents selected to participate in this research were sufficiently informed to provide applicable and narratively rich data. Thus, to be considered eligible in this study, BHOs/BHOMs and BHMs had to fulfil the criteria set out in sections 3.5.2 and 3.5.3.

In addition to purposive sampling, convenience sampling was also implemented in this study which, according to Phua (2004), refers to a "form of nonprobaility [*sic*] sampling; that is, each member of a population has an unknown and unequal probability of being selected" (p. 198). Convenience sampling was applied in this research as it represented a flexible method to recruit interviewees who were accessible, readily available, and willing to participate in this study (Phua, 2004; Saumure & Given, 2008). Convenience sampling, which predominantly focuses on access to interviewees, was selected due to the negative implications of Covid-19 on the tourism industry in Malta, which resulted in financial losses and redundancies for a number of tourism enterprises at the time of this study (Malta Business Bureau, 2020). As a result, not all BHOs/BHOMs and BHMs were in a position to participate in this study, while a number of boutique hotels temporarily shut down during this period.

Based on the sampling criteria and the sampling techniques implemented in this study, the researcher gained access to 25 research participants from 14 boutique hotels located in Valletta, Malta. Out of these 25 research participants, 16 participants were BHMs, and 9 participants were BHOs. No participants classified as BHOMs. It is relevant to note that the researcher had no prior personal or professional relational ties with any of the BHMs and BHOs in this study.

3.6.3 Sampling Technique: Stakeholders

To recruit relevant stakeholders for inclusion in this research, this study applied both purposive sampling and snowball sampling. Purposive sampling was implemented to ensure that stakeholders possessed the relevant characteristics and the expertise necessitated to

enrich this study with compelling and significant information about boutique hotels and innovation in these respective types of accommodation provisions. Therefore, to be considered eligible for this research, stakeholders had to fulfil the criteria advanced in section 3.5.4.

In addition to purposive sampling, to identify stakeholders, the researcher also relied on snowball sampling, which refers to using "a small pool of initial informants to nominate other participants who meet the eligibility criteria for a study" (Morgan, 2008b, p. 815). Snowball sampling was implemented during interviews with BHOs and BHMs, where some of these respondents recommended specific individuals and associations of interest to this study. In total, BHOs and BHMs recommended 4 stakeholders, all of whom agreed to participate in this research.

In total, 10 interviews were conducted with stakeholders in the local tourism industry between 20th October 2021 to 11th May 2022. The expertise of each respective stakeholder is illustrated in Table 3.6 below.

Table 3.6 Designation of Stakeholders

Designation of stakeholder/s	Number of stakeholder/s in this role
Architects specialized in hotel design	Two stakeholders
Academics specialized in tourism and hospitality management	Two stakeholders
Consultants specialized in tourism and accommodation in Malta	Two stakeholders
Tourism authority	One stakeholder
Real estate acquisition and consultancy specialist in Valletta	One stakeholder
Hospitality association	One stakeholder
Journalist specialized in local tourism	One stakeholder

(Source: Author)

3.6.4 Sampling Technique: Boutique Hotel Customers

To access and recruit relevant boutique hotel customers to participate in focus groups, the researcher applied purposive sampling. Purposive sampling was selected to identify and recruit eligible boutique hotel customers as this method ensured that respondents comprised knowledge of the phenomenon under investigation, i.e., innovation in boutique hotels. To gain access to boutique hotel customers, a number of Facebook and LinkedIn posts were effectuated between July 2021 to March 2022 by the researcher on different interest groups with large quantities of followers. Some of these interest groups are presented in Table 3.7 below. A sample of the social media posts can be found in Appendix C.

Table 3.7 Social Media Platform, Corresponding Group and Number of Group Members

Social Media Platform	Group Name	Number of group members
Facebook	Malta Tourist Group	3,300
	Travelling to Malta	1,500
	The Salott (RUBS)	60,600
	Vjaggaturi Maltin| Maltese Travellers	5,800
	Women for Women (Malta)	42,000
	Expats Malta	52,100
LinkedIn	Malta Network	11, 657
	Network Malta	3, 668

(Source: Author)

To assess the eligibility of interested boutique hotel customers, respondents were asked to complete a preliminary survey (see Appendix A). Following completion of this survey, the researcher reviewed the respective respondent's survey results and eligible respondents were then contacted to coordinate focus groups.

In total, 43 participants completed the preliminary survey, however, only 25 respondents were eligible to participate in this study. Following screening, four focus groups were held with research participants from 24th August 2021 to 12th April 2022. The number of respondents in each focus group varied from four to nine research participants and, due to the Covid-19 pandemic, all focus groups were held on Zoom.

In line with the data collection methods adopted in this research, the following section illustrates the interview and focus group guides and templates applied to collect data from BHOs, BHMs, customers, and stakeholders in the local tourism industry.

3.7 Interview Templates and Guides

To collect data from BHOs, BHMs, customers and stakeholders in the local tourism industry, the researcher established a number of interview guides and templates. In the following section, a discussion on the structure, contents and the rationale for the different interview and focus group guides and templates is presented.

3.7.1 Boutique Hotel Owners and Managers

In this research, semi-structured interviews with BHOs and BHMs were supported by both an interview template (see Appendix D) and an interview guide (see Appendix E). The interview template (Appendix D) was used by the researcher as a basis to ask questions in a semi-structured and in-depth manner, and the interview guide (Appendix E) aided the researcher to ensure that the objectives of each section in the interview template were fulfilled. It is relevant to note that the interview guide also presented the empirical sources used as inspiration for the interview questions in the interview template, thus, this guide acted as a reference point to the corresponding literature.

In this research, one interview guide and one interview template were used to investigate both BHOs and BHMs. It should be noted, however, that the interview guide and template for BHOs included one additional section of questions compared to BHMs. As a result, section six of the interview guide and template was only applicable to BHOs, with these respondents asked five more questions than BHMs. Aside from this difference, sections one to five in the interview guide and questions one to 31 in the interview template were identical

for both BHOs and BHMs. Due to these similarities, the following section presents a combined discussion on the interview template and guide for both BHOs and BHMs.

Section 1: Demographic Data

In section one of the interview template, BHOs and BHMs were asked five questions about their demographic characteristics, including their role in the hotel, number of years/months employed in the hotel, level of education, age, and prior experience in the tourism sector. The objectives of the questions in this section were to account for the degrees of homogeneity and heterogeneity present in the sample's demographic composition. This allowed the researcher to investigate whether divergences or convergences in the innovation process were the result of specific demographic factors, such as industry experience.

Section 2: Assessing the External Environment Prior to and During Covid-19

Section two of the interview guide and template sought to explore the environmental landscape of the boutique hotel sector in Valletta, Malta, prior to and during Covid-19. This section also sought to investigate the impact of Covid-19 on boutique hotels. One of the key aims of this section was to gain insight into the boutique hotels context comprising Valletta, Malta. This allowed for a holistic perspective of Valletta as a tourism ecosystem to evolve and, at the same time, it supported a greater understanding of the degree of market velocity present in this sector. This was relevant to explore as market dynamism has been interlinked to innovation and the development of firm-level capabilities (Teece et al., 1997; Zahra et al., 2006). Moreover, these questions also supported the researcher to explore and understand

how ecosystem dynamics and market changes impact innovations in boutique hotels during different context, e.g., during operations *versus* during Covid-19.

Section 3: Role and Importance of Innovation and Knowledge Resources in Boutique Hotels

Section three of both the interview template (Appendix D) and guide (Appendix E) sought to investigate research question one by exploring the ascribed meaning and significance of innovation in boutique hotels. The questions in this section, which were inspired by the literature on the definitional positioning of innovation (see, for example, Baradarani & Kilic, 2018; Chen, 2011; Hernández-Perlines et al., 2019), supported a deeper understanding of innovation from a practitioner-oriented perspective. In addition, since this research attributed importance to exploring innovation from a knowledge-based approach, emphasis in this section was also placed on investigating the role of experience (tacit knowledge) in the innovation process. This was done to explore how, why and the extent to which accumulated knowledge was used by BHOs and BHMs for innovation activities. This was considered relevant to better understand the relationship between knowledge depth, knowledge breadth and the degrees of novelty of the innovations implemented in boutique hotels (see, for example, AlKayid et al., 2023; Camisón et al., 2018; Engen & Magnusson, 2015).

Section 4: Innovation Process Prior to Covid-19

Section four of the interview template (Appendix D) and guide (Appendix E) sought to investigate research questions two, three and four. Therefore, the questions in this section aimed to investigate both innovation outcomes and the innovation process in boutique hotels

prior to Covid-19. In total, BHOs and BHMs were asked to answer 11 questions in this section. Exploring innovation outcomes in boutique hotels was considered relevant to investigate to assess the extent to which these outcomes were consistent with or challenged the broader literature on this topic (see, for example, Backman et al., 2017; Jacob et al., 2003; Krizaj et al., 2014; Orfila-Sintes et al., 2005; Tejada & Moreno, 2013). This section also assessed the innovation process from a knowledge-based perspective. This was relevant to investigate to identify the number and the types of micro-foundation practices and knowledge-based dynamic capabilities implemented by BHOs and BHMs to ideate and establish innovation outcomes.

Section 5: Innovation Outcomes During Covid-19

Similar to section four, section five of the interview template (Appendix D) and guide (Appendix E) placed emphasis on exploring innovation outcomes and the innovation process in boutique hotels, however, during Covid-19. The scope of the questions in this section was to investigate whether and how context, in this case Covid-19, impacted the types, the frequency and the novelty of the innovations implemented in boutique hotels and the subsequent practices used to establish innovations. This was considered relevant to explore to better understand how changes in market dynamics as well as unprecedented challenges impact the resilience, adaptability and the approaches adopted by BHOs and BHMs to establish innovations.

Section 6: Innovation Outcomes when Establishing the Boutique Hotel

Section six of the interview template (Appendix D) and guide (Appendix E) were specifically designed for BHOs. This section sought to explore the nature of innovations in boutique hotels during their establishment, with the intention of identifying the innovation outcomes implemented by hoteliers during this period. This was considered relevant to investigate to support a longitudinal understanding of innovation outcomes that accounts for the impact of context variations on the nature of innovation.

3.7.2 Stakeholders in the Local Tourism Industry

To collect data from stakeholders in the tourism industry in Malta, the researcher made use of both an interview template (Appendix F) and an interview guide (Appendix G). In total, stakeholders were asked 17 semi-structured interview questions centred around five core themes, these are discussed below.

Section 1: Validation of Sampling Criteria

The first two questions comprising the interview template (Appendix F) for stakeholders focused on investigating the role and the experience of stakeholders in the tourism industry in Malta. The aim of these questions was to validate the sampling criteria set out in this study, thereby ensuring that stakeholders were in a sufficient position to participate in this research due to their extensive knowledge of the sector.

Section 2: Market Dynamics

In section two of the interview guide (Appendix G), emphasis was placed on exploring the market dynamics present in the tourism ecosystem in Valletta, Malta. In this section, emphasis was placed on investigating Valletta as a destination, the development of the boutique hotel phenomenon, the types of ties established between market actors and the degree of competitiveness present in this sector. These questions were considered relevant to contextualize the boutique hotel phenomenon in Valletta and to simultaneously gain deeper insights into the market dynamics prevalent in this sector. This supported a rich and

contextually sensitive understanding of the ecosystem attributes of boutique hotels located in Valletta, Malta.

Section 3: Boutique Hotels

Section three of the interview guide (Appendix G), focused on exploring the boutique hotel phenomenon in Valletta, Malta. In this section, stakeholders were asked to describe the core attributes they believed define boutique hotels and the uniqueness of these accommodation provisions when contrasted against other types of accommodation available on the market. These questions were considered relevant to gain a more in-depth understanding of this underexplored phenomenon in the tourism and hospitality management literature, addressing a fundamental gap, that is what are boutique hotels and how are they different. These insights supported the researcher contextualize boutique hotels in relation to the local culture and heritage, an attribute of these specific accommodation provisions often discussed in the literature (see, for example, Buhagiar et al., 2024; Dev & Keller, 2014; Loureiro et al., 2020). These questions enriched this research by providing a basis to collect data on both the evolution of this unique type of accommodation provision in Valletta, Malta, and the novelty of these hotels.

Section 4: Knowledge Sharing Practices

Section four of the interview guide (Appendix G) placed emphasis on investigating knowledge sharing practices in the tourism ecosystem in Valletta, Malta. To gather data on this topic (Appendix F), stakeholders were asked five key questions, with emphasis placed on exploring the nature and the types of knowledge sharing practices deployed in this sector,

barriers to knowledge sharing, and the role of knowledge sharing in innovation activities. The scope of these questions was to better comprehend the degree of openness market actors comprised in this sector. In addition, these questions supported the researcher by providing a basis to identify barriers to knowledge sharing. This contributed towards a broader and a richer understanding of the market dynamics present in Valletta, Malta.

Section 5: Innovation in Boutique Hotels

Section five of the interview guide (Appendix G) aimed to investigate innovation in boutique hotels. In this section, emphasis was placed on exploring the opinions and perspectives of stakeholders of innovation in this specific context. The scope of this section was to address research question one, that is the definitional positioning of innovation.

3.7.3 Customers Lodging in Boutique Hotels

To collect data from customer who lodged in a boutique hotel, focus groups were supported by both a focus group template (Appendix H) and a focus group guide (Appendix I). In total, three key themes were explored in focus groups, these are discussed below.

Theme 1: Introduction and Establishing the Context

Theme one, entitled introduction and establishing the context, served as a basis to familiarize respondents with each other and to the corresponding context of investigation in this study, i.e., boutique hotels. The intention of the questions in this section was two-fold. First, these questions sought to create a sense of familiarity between focus group participants, this supported the development of cohesive team dynamics. Second, focus group participants were asked to discuss and describe why they decided to lodge in a boutique hotel. This was done to situate respondents in a past time and context, this being their stay in the respective boutique hotel. The intention of re-familiarizing focus group participants with their lodging experience was to stimulate respondents' memory recall abilities, this supported participants to effectively respond to the subsequent questions in the focus group.

Theme 2: Service Experience

Theme two of the focus group template (Appendix H) and guide (Appendix I) sought to investigate the impressions of focus group participants towards boutique hotels and the subsequent impression these respondents had of the service experience in these accommodation provisions, with emphasis placed on exploring customer engagement. In

this section, focus group participants were asked to describe the novel attributes of boutique hotels, the level of interaction they had with employees, and their overarching impression of hotel staff. The objective of these questions was to assess the degree to which customers engaged in discussion with staff in boutique hotels. This was considered relevant to explore as a number of empirical analyses have outlined how interactive service encounters contribute towards innovation and collaborative value creation (see, for example, Li & Hsu, 2016; Sørensen & Jensen, 2015; Xu & Wang, 2020).

Theme 3: Innovation

Theme three, which is the final theme in both the focus group template (Appendix H) and guide (Appendix I), directly explored innovation. The objectives of the eight questions comprising this theme were twofold. First, these questions aimed to explore the extent to which focus group participants provided the respective boutique hotel with feedback or ideas for new or improved services, this was used as a basis to investigate the role of customers in the innovation process. Second, this theme directly addressed research question one by asking customers to express what they perceived was meant by innovation in boutique hotels.

Extending the preceding discussion, the following section describes the interview procedure adopted in this study.

3.8 Interview Procedure

Prior to conducting semi-structured interviews with BHOs, BHMs and stakeholders, and focus groups with boutique hotel customers, to ensure the reliability and precision of the interview and the focus group templates, the researcher conducted a number of pilot tests. Pilot testing, which refers to "an informal, [and] loosely structured set of procedures where the researcher explores, probes, and tests many of the parameters of the study being planned" (Bailey & Burch, 2002, p. 133), was implemented to pre-emptively recognize and address any issues and problems in the interview and focus group templates prior to collecting data.

Table 3.8 Pilot Testing Details

Data collection tool	Dates when pilot tests were conducted	Details of participant	Changes implemented in interview/focus group templates
Semi-structured interview template for BHOs and BHMs (Appendix D)	07.07.2021	Consultant in the tourism industry	Addition of more prompts to assist interviewees explore different components of the ecosystem in Valletta (Q6). Restructuring questions (Q) Q12, Q17, Q22 and Q28 for increased clarity.
	11.07.2021	B&B owner	Removal of one question for BHOs as it was considered too broad. Addition of prompts to Q18.
Focus group template (Appendix H)	26.05.2021	Boutique hotel customer	Restructured Q3 for increased clarity. Added more prompts to Q3. Added sub-questions to Q6 and Q7 as prompts.

	09.06.2021	Boutique hotel customer	No updates proposed.
Stakeholder interview template (Appendix F)	20.11.2021	Founder and director of a hospitality consultancy	Removal of one question related to the tourism ecosystem. The participant indicated that the interview template comprised enough questions about this topic. Restructured Q10 and Q12 for increased clarity.

(Source: Author)

In line with Table 3.8 above, in total, five pilot tests were conducted between May and November 2021 to assess the clarity and the relevance of the questions in the interview and focus group templates. Out of these five pilot tests, two tests were conducted to assess the viability of the semi-structured interview questions aimed at BHOs and BHMs. Two pilot tests were conducted with boutique hotel customers to examine the credibility of the focus group template. Last, one pilot test was conducted with a stakeholder to explore the quality and the relevance of the interview questions aimed at stakeholders.

As a result of pilot testing, a number of changes were implemented to the interview templates aimed at BHOs, BHMs and stakeholders, and the focus group template (see Table 3.7 above). Therefore, this process allowed the researcher to limit the quantity of errors in the interview and focus group templates prior to data collection (Rothgeb, 2008) and to further clarify questions for increased understandability. Moreover, these pilot tests provided a basis for the researcher to ensure that the questions asked during interviews and focus groups were comprehensible and that they elicited information that was relevant and valuable.

After amendments were implemented in the interview and focus group templates, the researcher undertook a number of steps to ensure that data collection was conducted in an ethical manner. These are discussed in the forthcoming section.

3.9   Ethical Protocol

This section discusses the ethical considerations that were taken in this research to ensure that this study conformed to the University of Malta's code of practice.

Prior to conducting interviews with BHOs and BHMs, and focus groups with boutique hotel customers, on 20th July 2021, the researcher completed an online self-assessment Research Ethics and Data Protection (REDP) form. This was done to comply with the code of practice established by the University of Malta. Due to the nature of this study, which did not require access to sensitive data or vulnerable respondents, the self-assessment REDP form was completed and submitted to the Research Ethics Committee at the Faculty of Economics, Management & Accountancy (FEMA) at the University of Malta for filing. In the case of stakeholders, as previously discussed, one interview was conducted with one stakeholder on 20th October 2021 to determine whether these respondents should be included in this study. Once the researcher confirmed the importance and value of including stakeholders in this research, a self-assessment REDP form for stakeholders was completed and submitted for filing to the Ethics Committee at FEMA on the 29th November 2021.

Following submission of the self-assessment REDP forms, the researcher proceeded to recruit focus group participants through social media platforms. Interested respondents were asked to participate in a pre-screening survey (Appendix A) and if respondents fulfilled all

the eligibility criteria, they were contacted by email (Appendix J) with a formal invitation and information letter (Appendix K) to collaborate in this study. Following the acceptance of boutique hotel customers to participate in this study, the researcher scheduled focus groups on Zoom.

In the case of interviews with BHOs and BHMs, although 30 boutique hotels were contacted by email (Appendix L) with a formal invitation and letter of information (Appendix M) to participate in this study, this recruitment method did not work. To recruit BHOs and BHMs, the researcher personally visited these 30 boutique hotels in Valletta to recruit research participants in-person. Once at the respective boutique hotels, the researcher either spoke to the BHO or BHM of the hotel and informed these individuals about the study, the aims of the research, the scope of interviews, the duration of interviews and the ethical protocol. Interested respondents were asked to email the researcher to express their interest in the study and in participating in interviews. This was done as several respondents informed the researcher that the emails being sent from the student's account were automatically diverted to their spam folder. Once respondents confirmed their interest in this study by email, the researcher provided these respondents with a formal invitation to participate in the study (see Appendices L, M) and proceeded to schedule in-person or virtual interviews on the Zoom platform.

In the case of stakeholders, four of these respondents were identified in interviews with BHOs and BHMs, the other six respondents were identified through researching the tourism sector in Malta, e.g., interest groups, government bodies, associations etc. Once eligible respondents were identified, they were contacted through email (Appendix N) with a formal request to participate in this study and a subsequent information letter (see Appendix O). In-

person and online interviews with interested respondents were then scheduled according to the availability of the respective respondents.

Prior to starting data collection, including interviews with BHOs, BHMs and stakeholders and focus groups with boutique hotel customers, the researcher provided research participants with letters of consent (Appendices P, Q and R). Due to the sensitive nature of the commercial and social environment in Malta, the research participants in this study were allocated pseudonyms. Once data collection ensued, all audio recordings were digitally stored in an encrypted folder on the student's laptop and were only accessible by the researcher, her supervisor and co-supervisor. Once three years elapse from the successful defence of this research, all audio and video recordings resulting from data collection will be destroyed. To ensure that all data collected in this research was managed, stored and preserved in an ethical manner, and to abide by the FAIR data principles (findable, accessible, interoperable and reusable), the researcher established a data management plan (Appendix S).

Subsequent to the ethical considerations taken in this research, the upcoming section describes how data derived from interviews and focus groups was captured.

3.10 Data Capture

This section describes the methods that were employed to capture data from interviews and focus groups with research participants. It also discusses the steps taken to codify data.

To capture data which is rich in phonetic content from interviews and focus groups, this study made use of audio recordings for face-to-face interviews and audio and video recordings for virtual interviews and focus groups (see Table 3.9 below).

Table 3.9 Methods used to Capture Data

Respondent type	In-person or online data collection	Number of audio recordings for in-person interviews	Number of audio and video recordings for online interviews/focus groups
Stakeholders	In-person	7	3
Boutique hotel owners and managers	In person and online	18	7
Focus groups	Online	0	4

(Source: Author)

The researcher opted to use audio recordings in this study as through this medium "field researchers are never removed or detached from the phenomenon being observed, but are rather situated within, and a part of, what eventually gets stored as permanent records of social interaction" (Jenks, 2018, p. 120). Thus, recording devices allowed for the tacit nature of the knowledge generated in interviews and focus groups to be captured and stored, providing the researcher with the flexibility and benefit of being able to revisit data (Kvale, 2007). Within the context of this research, virtual recordings comprised the added benefit of

assisting the researcher capture non-verbal cues, this was especially important in focus groups, where the researcher predominantly focused on moderating debates. Following the completion of each interview and focus group, audio and video recordings were transcribed in-verbatim by the researcher.

By its very nature, a transcript mirrors a captured moment of social communication (Kvale, 2007). Within this study, interview and focus group recordings were transcribed in-verbatim to be able to account for as many details as possible (Arksey & Knight, 1999). Transcribing was conducted in a methodical manner, with the researcher listening to interview and focus group recordings while simultaneously converting audio data into written text. Due to the fact that transcripts have been criticized in the literature for being subjective, susceptible to transcript variation, and limited by textual representation (Jenks, 2018), to ensure the validity of the transcription process in this study, the researcher conducted all interviews and focus groups herself, and all audio as well as video recordings were also transcribed by the researcher. In addition, to further address these shortcomings, the researcher implemented member checking. Therefore, once audio recordings were transcribed, interviewees and focus group participants were sent a copy of their respective transcripts *via* email. In this email, research participants were invited to review the written reproductions of their respective interviews and focus group transcripts, and they were encouraged to contact the researcher should any portion of their transcript require amending. From the 60 research participants in this study, one BHM proposed a minor amendment to an interview and one stakeholder proposed several grammatical changes. No focus group participants requested any amendments to their transcripts. Once member checking was conducted, data analysis ensued. This is discussed in the following section.

3.11 Data Analysis

The data analysis techniques adopted to explore and analyse the data derived from the different respondent groups in this study necessitated distinct data analysis strategies. As a result, two different data analysis strategies were implemented, with one strategy used to examine the data collected from BHOs and BHMs, and a different strategy used to analyse the data acquired from boutique hotel customers and stakeholders. These strategies are discussed in next section.

3.11.1 Data Analysis Methods for Interviews with Boutique Hotel Owners and Managers

To analyse the data derived from interviews with BHOs and BHMs, six rounds of coding were implemented, these are open coding, axial coding, structural coding, provisional coding, causation coding and the constant comparative method. A discussion on how each of these different coding strategies was implemented by the researcher is presented in the next section.

3.11.1.1 Open Coding

Open coding, which is defined as "the initial phase of the coding process. . . . [and involves] the 'opening up' of the text in order to uncover ideas and meanings" (Benaquisto, 2008, p. 581), was applied as it provided a basis for the researcher to familiarise herself with the data derived from BHOs and BHMs in a rigorous manner through a line-by-line analysis of the transcripts. This data analysis approach provided the researcher with a flexible structure to discover ideas, concepts, and themes independent of the literature. This approach was particularly advantageous as it did not limit the researcher to the themes solely explored in the literature, however, it allowed the researcher to consider numerous explored and unexplored themes and concepts, leading to a more objective and open investigation of the data. In addition, open coding was considered especially necessary to explore both the definitional positioning of innovation (RQ1) and the attributes of innovation (RQ2), as the literature in tourism and hospitality management could not be used as a basis to establish *a priori* codes to explore these constructs. It is relevant to note that although the open coding process was conducted in an inductive manner, the *a priori* conceptual models set forth in Chapter 2 and the application of certain theoretical frameworks may have influenced the interpretation of the data. These factors, however, did not dictate the labels ascribed to the codes or themes, instead, this prior knowledge acted as a foundation to identify new patterns in the data.

To conduct open coding, the researcher manually coded all initial codes and sub-codes on EXCEL. Due to the fact that three different ownership structures were investigated in this research, two EXCEL documents for open coding were necessitated. In this respect, one EXCEL document comprised the codes of respondents from independently owned boutique

hotels and the other EXCEL document comprised codes for respondents from both chain-owned and multi-sector group-owned boutique hotels. Through this data analysis technique, the researcher was able to identify 14 themes, 54 core codes and 286 corresponding sub-codes. Table 3.10 below presents a descriptive overview of the 14 themes identified by way of open coding. For an in-depth overview of each core code refer to Appendix T.

Table 3.10 Core Codes and Sub-Codes developed through Open Coding

Theme	Description
Characteristics of innovations in BHs	This theme categorizes data on the types of innovations developed in boutique hotels. Some examples of these innovations include service experience innovations, personalized services and design innovations.
Perceptions of innovation	This theme explores the varied perceptions BHOs and BHMs had of innovation. It highlights the subjective opinions of respondents, underscoring how innovation comprises a spectrum of varied viewpoints.
Knowledge and learning	This theme investigates whether and how prior knowledge has facilitated/hindered BHOs and BHMs in their current position. It also explores whether BHOs and BHMs enrolled in any educational courses to increase their knowledge in the domain of tourism/accommodation. This theme also investigates how organizational learning occurs in BHs.
Innovation process	This theme categorizes data on the innovation process, from ideation practices to implementation activities. It underscores the varied steps implemented in BHs to execute innovation. Some examples of these processes include developing ideas, research to substantiate ideas and sharing ideas.
Challenges of innovation	This theme explores the challenges that BHMs and BHOs encountered when developing and implementing innovations.
Organizational attributes	This theme categorizes data on the attributes of each respective BHs. It highlights the resources BHs attributed to innovation, internal staff dynamics and the state of human resource in BHs.
Developing BHs	This theme explores how and why BHOs developed their respective BHs. It also underscores the collaborations BHOs undertook during this period to establish their BHs.
Boutique hotel context in Valletta	This theme investigates the nature of the boutique hotel sector in Valletta, Malta, including collaborations/conflicts between market actors.
Impact of Covid-19 on BHs	This theme explores how Covid-19 affected the operations of BHs.
Impact of Covid-19 on innovation	This theme explores how Covid-19 impacted innovation in BHs, specifically the resources for innovation and the motivation of employees to ideate.
Impact of Covid-19 on HR	This theme categorizes data on the influence of Covid-19 on employees.
Incentives/support	This theme explores the incentives offered by government to support BHs during Covid-19.

Knowledge and Covid-19	This theme categorizes data on the role of prior knowledge during Covid-19. It also highlights how BHOs and BHMs acquired information/data/knowledge on Covid-19.
Attributes of BHs	This theme explores the unique attributes of BHs, including their spatial design and the key differences between BHs and other forms of accommodation.

(Source: Author)

Following open coding, the researcher then implemented axial coding to reassemble fragmented codes and to establish relationships between both core codes and sub-codes. This is discussed in the upcoming section.

3.11.1.2 Axial Coding

Due to the large number of themes, codes and sub-codes generated by way of analysing data through open coding, the researcher decided to conduct axial coding on software called Atlas.ti, which is a computer-assisted software for qualitative data analysis. This software was adopted for several reasons. First, it is an easy-to-use software with an intuitive interface, this supported the research by providing a framework to manage and analyse large volumes of data. Second, this software can generate a number of useful reports, this streamlined the process for the researcher to comprehend interview content. Thus, prior to conducting axial coding, the researcher imported all the data generated through open coding on EXCEL into Atlas.ti.

Axial coding was selected as a second cycle coding method as it facilitated the researcher refine the 14 themes, 54 core codes and the 286 sub-codes established in the first round of coding into a more coherent corpus of data. Therefore, this form of coding enabled the researcher to locate dominant themes and codes, it provided a basis to re-categorize data, it allowed for overlapping themes to be merged and it enabled the researcher to remove redundant codes (Saldaña, 2015). As a result of axial coding, the original 14 themes were reduced to 8 themes, the 54 core codes were reduced to 13 core codes, and the sub-codes decreased by 125, leading to a total of 161 sub-codes. A list of the themes established *via*

axial coding is illustrated in Table 3.11 below. For an in-depth overview of each core code refer to Appendix U.

Table 3.11 Core Codes and Sub-Codes developed through Axial Coding

Theme	Description
Meaning of innovation	This theme explores the perceived meaning of innovation from the perspective of BHOs and BHMs. It predominantly underscores the subjective interpretations of respondents concerning the ascribed essence of this construct in the context of BHs.
Innovation outcomes and micro-foundations	This theme categorizes data on two key facets of innovation. These are the innovation outcomes implemented in boutique hotels and the micro-foundation processes/practices implemented in BHs to generate ideas and establish innovation outcomes.
Knowledge-based dynamic capabilities	This theme explores the knowledge-based dynamic capabilities developed and deployed in BHs to systemize knowledge reconfiguration processes and establish methodical forms of innovation. In this theme, emphasis is placed on routines and institutional structures in BHs for 1) the acquisition of externally located knowledge, 2) the combination of internal knowledge, 3) the assimilation or transformation of proximate and distant knowledge and 4) the exploitation of knowledge.
Context of investigation	This theme explores the context of investigation in this study, i.e., BHs located in Valletta. It highlights the development and evolution of Valletta as a destination, the growth of the boutique hotel sector in Valletta and the impact of Covid-19 on Valletta and BHs in this location.
Establishing boutique hotels	This theme categorizes data on when and how BHs in Valletta, Malta, were established by BHOs.
Boutique hotels	This theme focuses on the key characteristics of BHs and the corresponding role and importance of certain attributes in the human resources (staff) comprising these hotels.
Knowledge	This theme explores how prior knowledge (experience) facilitates/hinders BHOs and BHMs in their current role. It also focuses on the relevance of this knowledge for innovation in BHs. This theme also underscores the perceived importance/lack thereof of educational qualifications for performing jobs in the tourism sector and BHs.
Organizational attributes	This theme categorizes data on the attributes of BHs, specifically the organizational climate/culture prevalent in the sampled BHs and the organizational structure, ownership and the strategic direction of the respective BHs.

(Source: Author)

Following axial coding, to further refine data, structural coding was implemented to segment respondent data by research question. This is discussed in the next section.

3.11.1.3 Structural Coding

Structural coding, which reflects a content-based approach towards analysing the topic/s under investigation by emphasizing data categorization by way of research question/s (Saldaña, 2015), was applied for two reasons. First, structural coding provided a methodical basis to subdivided data, making it much clearer for the researcher to grasp the codes with the most weighting in this research. Second, by way of structural coding, the researcher was better able to explore relationships between research questions, themes, core codes and sub-codes, this supported the researcher in understanding the relational ties between different themes and concepts. As a result of this data analysis technique, the 8 themes, the 13 core codes and the 161 sub-codes established by way of axial coding were merged into 4 themes that interlinked to the 4 RQs underpinning this study and 22 sub-codes (see Table 3.12 below).

Table 3.12 Core Codes and Sub-Codes developed through Structural Coding

Research Question (RQ)	Theme	Description	Number of sub-codes
RQ1	Perceived Meaning of innovation	Categorizes data on the perceived meaning of innovation in boutique hotels from the viewpoint of BHOs and BHMs. Three sub-codes comprised this core code, these include process innovation, product innovation and service innovation.	3
RQ2	Micro-foundation processes	Categorizes the knowledge-based micro-foundation processes used by boutique hotel owners and managers to reconfigure knowledge resources and develop innovation outcomes. The sub-codes comprising this core code include idea generation, market research, intra-organizational knowledge creation, testing ideas, decision-making, knowledge assembly, implementation, knowledge sharing and feedback post-innovation.	9
RQ3	Firm-level capabilities	Categorizes data on knowledge-based dynamic capabilities. Some sub-codes include acquisition capability, assimilation capability and combinative capability.	7
RQ4	Innovation outcomes	Categorizes data on the innovations implemented in boutique hotels by context. Sub-codes include prior to operations, during operations and during Covid-19.	3

(Source: Author)

To address RQ1 and RQ4 in this study, structural coding was found to represent a good starting point to extrapolate and infer conclusions on these two research questions, especially since the data necessitated to address these research questions was comparatively more straightforward when contrasted against the data required to address RQ2 and RQ3. Although structural coding was used as a starting point to address RQ1 and RQ4, a final round of coding, i.e., comparative coding, was implemented to draw comparisons between the data gathered from different respondent groups, this is addressed in the latter sections comprising this discussion. The following section presents a discussion on how the data generated by way of structural coding was further analysed to address RQ1 and RQ4.

- RQ1 (perceived meaning of innovation) – to address this research question, the data derived through structural coding was triangulated with the codes and concepts developed during data analyses for both focus group participants and stakeholders. By way of data triangulation, and through the application of the constant comparative method, the researcher was able to identify commonalities across all data sets when exploring the perceived meaning of innovation. These are discussed further in Chapter 4, i.e., Results.

- RQ4 (innovation outcomes) – to address this research question, which required BHOs and BHMs to self-report and describe the innovations they remembered implementing during three specific contexts, these are before operations, during operations and during Covid-19, the researcher implemented a number of steps to assess the nature of the innovations implemented in boutique hotels. These are listed below.

Categorizing innovations - following structural coding, to reduce the prevalence of overlapping innovations, which could have been mentioned by BHOs and BHMs from the same hotel, the researcher cross-checked, i.e., triangulated, all the self-reported innovations discussed by BHOs with the self-reported innovations described by BHMs from the same hotel. Duplicate innovations were removed from the sample. This allowed for the elimination of any paired innovations and avoided the risk of artificially inflating the data. It is relevant to note that the types of perceived innovation discussed by respondents in RQ1 served as a basis for the researcher to categorize the 124 innovations according to their type, i.e., product, service, etc. Based on this taxonomy (see Appendix V), the researcher proceeded to organize the 124 innovations described by BHOs and BHMs into three distinct tables by ownership structure, innovation types/outcomes and context (prior to operations, during operations and during Covid-19). These tables are presented in Appendix V. It is relevant to note that in this research, "innovation should be new to the enterprise; it does not necessarily have to be new to the market" (Orfila-Sintes & Mattsson, 2009, p. 381). Therefore, based on this positioning, as long as BHOs and BHMs considered the self-reported innovations novel to the organization, these were considered to comprise an innovation.

Ranking innovations by degrees of novelty - to determine the degrees of novelty of the 124 self-reported innovations described by BHOs and BHMs, the researcher first established a set of parameters to be used as a basis to categorize innovations as radical or incremental. These are illustrated in Table 3.13 below.

Table 3.13 Attributes of Radical and Incremental Innovations

Degree of novelty of innovation	Attribute	Source
Radical Innovation Attributes	Presents itself as a clear break from existing practices or technologies in the organization.	Martínez-Ros & Orfila-Sintes, 2009
	Tends to involve a degree of risk.	Curmi & Sammut-Bonnici, 2014
	Tends to be costly.	Goodman & Dingli, 2013
	Tends to result in significant changes to organizational structures, procedures, and products.	
	Disrupts and reinvents industries	Curmi & Sammut-Bonnici, 2014
Incremental Innovation Attributes	Generally results in minor changes to products, services, processes, etc.	Goodman & Dingli, 2013
		Curmi & Sammut-Bonnici, 2014
	Usually, incremental innovations are developed by exploiting extant organizational resources, e.g., established processes, services, and technologies.	Goodman & Dingli, 2013
	Often, incremental innovations are less costly, and they tend to exert a minimal impact on the organization's turnover.	Martínez-Ros & Orfila-Sintes, 2009
	Incremental innovations can involve modifications, improvements, or extensions of previously implemented innovations.	

(Source: Author)

To categorize the 124 innovations into either radical or incremental innovations, the researcher, in collaboration with an academic at the Faculty of Economics, Management and Accountancy at the University of Malta, conducted two rounds of intercoder reliability. This exercise was designed as a double-blind process to reduce bias. The researcher listed the self-reported innovations in an EXCEL sheet, removing all instances of duplicate innovations. This list of innovations and the parameters set out in Table 3.13 above were

emailed to the academic, who proceeded to categorize innovations as either radical or incremental. Simultaneously, the researcher also categorized these innovations into radical or incremental innovations. Once the first round of coding was complete, a call was held on the Zoom platform to discuss a number of divergences in the results. During this call, aspects comprising the parameters established in Table 3.13 above were discussed. In this respect, due to lack of access to scales or benchmarks indicative of what comprises radical and incremental innovations in accommodation provisions, it was agreed that some degree of consideration should be placed on the novelty of the innovations developed in boutique hotels relative to the sample. Therefore, the number of times an innovation was mentioned by the respondents in this study was taken into consideration. By evaluating novelty relative to the sample, this supported a contextualized assessment of innovation. In light of this change, the researcher sent a new list of the 124 innovations to the academic, these innovations were then re-categorized by both the researcher and the academic. After this exercise, which aimed to further contextualize incremental and radical innovations to the sample's relative degrees of innovativeness, another call was held on Zoom to discuss three divergences in the categorizations. After some debate and discussion, consensus was reached. The outcome of this intercoder reliability exercise is presented in Appendix W.

The steps discussed above illustrate how RQ1 and RQ4 were partly analysed in this study. The following sections continue to discuss the additional data analysis techniques implemented to address RQ2 and RQ3. It is relevant to note that the constant comparative method, which will be described following provisional coding and causation coding, was also implemented to explore research RQ1 and RQ4.

3.11.1.4 Provisional Coding

Following structural coding, the researcher implemented provisional coding. Provisional coding, which refers to using a predetermined list of codes to categorize data (Saldaña, 2015), was applied in this research to assess the extent to which the codes generated *via* data analysis diverged from the conceptual model/s established in this study. Therefore, provisional coding provided the researcher with a basis to ascertain convergences and divergences between the results of this study and the literature. Tables 3.14 and 3.15 below summarize these convergences and divergences.

Table 3.14 Micro-Foundation Practices: Convergences and Divergences between Conceptual Model and Results

Level of Analysis	Codes – A Priori (AP) and Data Driven (DD)	Source – Conceptual Model (literature) or Data	Convergence from the literature	Divergence from the literature	Comments
Micro-foundation processes	Internal sensing (AP)	• Conceptual model (Nonaka, 1994; Nonaka et al., 1996; Smith, 2001)	✓		Both internal sensing and external sensing processes were identified in this study. However, this research also found evidence of internal socialization and external socialisation processes. These are discussed in Chapter 4.
	External sensing (AP)		✓		
	Subjective tacit knowledge (AP)	• Conceptual model (Nonaka, 1994)	✓		Evidence of subjective tacit knowledge was found in this research, however, since this practice occurred at the same time as knowledge creation practices, in Chapter 4 this process is labelled intra-organizational knowledge creation.
	Knowledge creation (AP)	• Conceptual model (Nonaka, 1994)	✓		Evidence of knowledge creation practices were found in this research, however, this process occurred through subjective tacit knowledge. Therefore, these two processes were merged to represent one process in Chapter 4 (intra-organizational knowledge creation).
	Knowledge leverage (AP)	• Conceptual model	✓		Evidence of knowledge leverage processes were found in this research, however, these processes have been re-

		(McDermott, 1999)			labelled internal socialization practices in Chapter 4. This is due to the fact that these processes formed part of the ideation process.
	Knowledge capture (AP)	• Conceptual model (Nielsen, 2006; Nonaka et al., 1996)		✓	Knowledge capture did not emerge as a key process in the results.
	Knowledge assembly (AP)	• Conceptual model (Nielsen, 2006)	✓		Evidence of knowledge assembly processes were found in this study.
	Knowledge sharing (AP)	• Conceptual model (Nielse, 2006; Wang et al., 2012)	✓		Knowledge sharing practices were identified in this study.
	Knowledge use (implementation) (AP)	• Conceptual model (Nielse, 2006; Nonaka et al., 1996; Nonaka et al., 2000)	✓		Evidence of knowledge use processes (implementation practices) were observed in this research.
	Innovation (AP)	• Conceptual model (Hjalager, 2002, 2010)	✓		Innovation practices were identified in the boutique hotels comprising this research.
	Testing ideas (DD)	• Data		✓	Evidence of testing ideas was found in this study. These processes did not form part of the conceptual model presented in Chapter 2.
	Decision-making (DD)	• Data		✓	Numerous decision-making practices were identified in this study. This

					process did not form part of the conceptual model proposed in Chapter 2.
	Feedback post-innovation (DD)	• Data		✓	Evidence of hoteliers acquiring feedback post-innovation was observed in the data. This process did not form part of the conceptual model proposed in Chapter 2.

(Source: Author)

Table 3.15 Firm-Level Knowledge-Based Dynamic Capabilities: Convergences and Divergences between Conceptual Model and Results

Level of Analysis	Codes – A Priori (AP) and Data Driven (DD)	Source – Conceptual Model (literature) or data	Convergence from the literature	Divergence from the literature	Comments
Firm-level knowledge-based dynamic capabilities	Acquisition capabilities (AP)	• Conceptual model (Cohen & Levinthal, 1990; Ellonen et al., 2011; Gold et al, 2001; Nooteboom, 2022; Teece, 2007; Vallaster et al., 2021; Zahra & George, 2002)	✓		Evidence of acquisition capabilities were observed in this research, with these capabilities systemized through on-going networking practices, market research and by way of IT systems.
	Assimilation capabilities (AP)	• Conceptual model (Cohen & Levinthal, 1990; Zahra & George, 2002)	✓		Assimilation capabilities were identified in this research, with hoteliers found to implement two different practices to establish this capability. These are systemized studies to assess information and human resource (HR) practices.
	Transformation capablities (AP)	• Conceptual model (Todorova & Durisin, 2007)	✓		Evidence of transformation capabilities were identified in this research. With this capability observed to occur by way of HR practices.
	Combinative capabilities (AP)	• Conceptual model (Kogut & Zander, 1992; Van den Bosch et al., 1999; Un &	✓		Combinative capabilities were identified in this research, with hoteliers observed to implement systemized practices for intra-

		Cuervo-Cazurra, 2004)			organizational socialization, e.g., board meetings, cross-functional teams, etc.
	Exploitation capabilities (AP)	• Conceptual model (Zahra & George, 2002)	✓		Exploitation capabilities were observed in this study, with hoteliers found to establish formalized structures and practices to facilitate decision-making.

(Source: Author)

After convergences and divergences between the results of this study and the conceptual models underpinning this research were noted, the researcher proceeded to implement causation coding.

3.11.1.5 Causation Coding

Causation coding, which places emphasis on investigating the reasons and causes for the development of certain phenomena (Saldaña, 2015), in this case innovation, was applied in this research to address RQ2 and RQ3, which required an understanding of the practices implemented in boutique hotels by BHOs and BHMs to establish innovation outcomes by way of knowledge resources, and their corresponding relationship to firm-level knowledge-based dynamic capabilities.

To conduct causation coding, all the micro-foundation processes discussed by BHOs and BHMs were mapped out in a coding chart (See Appendix X). This coding chart was then used by the researcher as a basis to investigate the different stimuli used by both BHOs and BHMs to ideate, and to understand how knowledge resources were used at different points in the innovation process to establish innovation outcomes. In total, through causation coding, the researcher was able to identify nine micro-foundation processes comprising innovation. This is discussed in Chapter 4.

To explore firm-level knowledge-based dynamic capabilities, the researcher focused on cataloguing repetitive practices implemented in boutique hotels to 1) recognize and locate valuable knowledge that is external to the organization (Cohen & Levinthal, 1990; Zahra & George, 2002), 2) systemized practices for integrating intra-organizational knowledge

(Kogut & Zander, 1992; Van den Bosch et al., 1999), 3) routines for understanding knowledge that is proximate, 4) systemized practices for understanding knowledge that is novel and distant from what is known (Todorova & Durisin, 2007), and 5) routines for decision-making practices (Zahra & George, 2002). When exploring firm-level knowledge-based dynamic capabilities, the researcher placed emphasis on examining the institutional practices responsible for the development of these capabilities.

Following causation coding, the researcher implemented the constant comparative method to explore divergences and convergences in the data. This is discussed in the next section.

3.11.1.6 Constant Comparative Method

To account for convergences and divergences in the data collected, the researcher applied the constant comparative method, which is a data analysis technique deployed to locate and isolate similarities and differences in datasets.

To explore the differences and similarities present between the responses provided by focus group participants, BHOs, BHMs, and stakeholders on the perceived meaning of innovation (RQ1), the author established a coding chart to track the opinions of respondents on this topic. This supported the researcher conduct a comparative assessment of responses by different participant groups (See Appendix Y).

To explore similarities and differences in the micro-foundation practices implemented in boutique hotels, the researcher first isolated ideation practices (see Appendix X) and contrasted convergences and divergences between the stimuli used by boutique hotel owners

and those used by managers to generate ideas. For example, a notable divergence between BHOs and BHMs was that BHMs (n=13/16 managers) depended more heavily on ideation *via* discussions with intra-organizational colleagues while BHOs (n=7/9 owners) relied more predominantly on travel as a stimulus for generating ideas. The researcher then used the coding chart (see Appendix X) to note any commonalities and differences in the micro-foundation practices implemented in boutique hotels by ownership structure. Through this process, for example, the researcher noted that the number of micro-foundation processes implemented in boutique hotels varied by ownership structure, with multi-sector group-owned boutique hotels comprising a 9-phase process, independently owned boutique hotels possessing an 8-phase process and chain-owned boutique hotels comprising a 6-phase process. These results are discussed in detail in Chapter 4.

To explore differences and similarities in the firm-level knowledge-based dynamic capabilities implemented in boutique hotels by ownership structure, the researcher relied on the data established in the coding chart (see Appendix Z) to note any pronounced divergences in capabilities by ownership structure. For example, a notable difference in knowledge-based dynamic capabilities was that multi-sector group-owned boutique hotels possessed all the five capabilities explored in this research. On the other hand, independently owned and chain-owned boutique hotels only comprised acquisition capabilities. This is discussed in detail in Chapter 4.

To investigate RQ4, the researcher conducted several analyses on EXCEL to explore differences in the attributes of innovation in boutique hotels by ownership structure. Some of these analyses included exploring the number of innovations implemented in boutique hotels by context and ownership structure, average number of innovations implemented in

boutique hotels, types of innovations implemented in boutique hotels, and types of innovations in boutique hotels by both context and ownership structure.

The following section presents the data analysis methods applied to investigate the data derived from focus groups with boutique hotel customers and interviews with stakeholders.

3.11.2 Data Analysis Methods for Interviews with Stakeholders and Focus Groups with Boutique Hotel Customers

To analyse the data collected from interviews with stakeholders in the local tourism industry and focus groups with boutique hotel customers, the researcher applied four different types of coding, including in-vivo and concept coding, structural coding, and the constant comparative method. The application of these data analysis techniques is discussed in the following sections.

3.11.2.1 In-Vivo and Concept Coding

As first cycle coding methods, to explore and assess the data gathered from both interviews with stakeholders in the local tourism industry and focus groups with boutique hotel customers, the researcher implemented both in-vivo and concept coding. In-vivo coding, which refers to "literal coding" or "verbatim coding", was selected to analyse the data derived from both boutique hotel customers and stakeholders, as it allowed the researcher to code data in the authentic language of respondents (Saldaña, 2015). This supported the researcher familiarize herself with the data gathered in interviews and focus groups through an extensive word-for-word analysis of transcripts, supporting the researcher to capture and account for as many details as possible (Arksey & Knight, 1999). Hand in hand with in-vivo coding, to categorize data according to the overarching concepts and themes that emerged during data collection, the researcher also applied concept coding.

In-vivo and concept coding were applied to the data derived from boutique hotel customers and stakeholders manually on two separate EXCEL sheets. By way of this coding strategy, the researcher identified four themes, six core codes and 30 sub-codes for data derived from boutique hotel customers, and six themes, 19 core codes and 60 sub-codes for data acquired from stakeholders in the local tourism industry. These themes are described in Tables 3.16 and 3.17 below.

Table 3.16 In-Vivo & Concept Coding Boutique Hotel Customers

Theme	Description
Motivation for selecting BHs	This theme explores the factors that influenced guests' decisions to lodge in a BH over alternate forms of accommodation.
Staff in BHs	This theme explores the impression BH customers had of the staff in BHs.
Customer feedback	This theme explores whether BH customers provided the respective BHs they lodged in with feedback and reasons for leaving feedback.
Perceived meaning of innovation	This theme focuses on the perceived meaning of innovation in BHs from the viewpoint of customers.

(Source: Author)

Table 3.17 In-Vivo & Concept Coding Stakeholders

Theme	Description
Attributes of stakeholders	This theme lists the key characteristics and experience of the stakeholders who participated in this research. It underscores their roles and their respective domains of expertise.
Valletta	This theme explores the evolution of tourism in Malta. Specifically, the development of 5-star hotels, low-cost carriers, and the regeneration of Valletta and the three cities. This theme also highlights the development of the accommodation sector in Valletta, Malta, including the evolution of BHs.
BHs	This theme explores the nuanced perceptions stakeholders have of BHs, particularly those located in Valletta, Malta. It highlights the defining factors stakeholders attribute to BHs and the varied interpretations they have of these forms of accommodation. In this

	theme, the challenges of defining BHs and the key issues with the ownership structures fostered by the BHs in Malta are also outlined.
Innovation	This theme focuses on exploring the viewpoints of stakeholders on innovation in the context of BHs. It underscores the diverse subjective interpretations stakeholders had of this construct in this situated context. This theme further investigates stakeholders' perceptions concerning the relevance of innovation in boutique hotels.
Knowledge sharing	This theme focuses on the dynamics of knowledge sharing between BHs in Valletta, Malta. It explores the different types of knowledge sharing practices boutique hotels adopt and it also underscores existing barriers that inhibit knowledge sharing in this sector, notably the prevalence of the copy-cat mentality. It also explores the relationship between knowledge sharing and innovation within this sector.
Collaborations	This theme explores the scope, the types, and the nature of collaborations and networks between boutique hoteliers located in Valletta, Malta. It also provides insight into the atmosphere prevalent between boutique hoteliers in meetings that stakeholders attended. This theme also investigates barriers to innovation, including lack of interest, complacency, and the Maltese mentality.

(Source: Author)

3.11.2.2 Structural Coding

Since data from stakeholders in the tourism industry in Malta and boutique hotel customers was predominantly necessitated in this study to address RQ1 and RQ2, the researcher applied structural coding to identify and isolate data on three topics. First, data was coded to explore the perceived meaning of innovation in the context of boutique hotels from the viewpoint of both customers and stakeholders. Second, data was coded to investigate and identify the role of customers in the innovation process. Third, data was coded to explore the degree of knowledge sharing prevalent between boutique hotels in Valletta, Malta. This data analysis technique supported a more focused approach towards investigating the results.

It is relevant to note that during this phase, data gathered from stakeholders regarding the evolution of boutique hotels in Valletta and Valletta as a destination was also structurally coded as it was believed to be relevant to the results Chapter. After the application of structural coding, the researcher identified two key themes and five sub-codes for data derived from boutique hotel customers, and three themes and 11 sub-codes for data acquired from stakeholders in the tourism industry. These themes are illustrated in Tables 3.18 and 3.19 below.

Table 3.18 Structural Coding Boutique Hotel Customers

Research Question (RQ)	Theme	Description	Number of Sub-Codes
RQ1	Meaning of innovation	This core code categorized data on the perceived meaning of innovation from the perspective of customers. Two sub-codes comprised this core code, these are aesthetic individualism and use of a heritage premises.	2
RQ2	Feedback	This core code categorized data on the role of customers in the innovation process, with emphasis attributed to the process of providing feedback. Three sub-codes comprised this core code these included provided the hotel with feedback and motivations for leaving feedback.	3

(Source: Author)

Table 3.19 Structural Coding Stakeholders

Research Question (RQ)	Theme	Description	Number of Sub-Codes
RQ1	Meaning of innovation	This core code categorized data on the perceived meaning of innovation from the perspective of stakeholders. Some sub-codes comprising this core code included aesthetic individualism, use of a heritage premises and digitization.	5
RQ2	Knowledge sharing	This core code categorized data on knowledge sharing between boutique hotels in Valletta, Malta. Some sub-codes comprising this core code included barriers to knowledge sharing and knowledge sharing and innovation.	4
-	Context	This core code categorized data on the context of this research. The two sub-codes comprising this core code included evolution	2

		of tourism in Malta and evolution of accommodation provisions in Valletta.	

(Source: Author)

Following structural coding, the researcher developed a coding chart and applied the constant comparative method to explore RQ1 and RQ2.

3.11.2.3 Coding Chart and the Constant Comparative Method

To address RQ1, the researcher developed a coding chart (Appendix Y) to triangulate the data gathered from the different respondents in this study regarding the perceived meaning of innovation. At the same time, through applying a coding chart, the researcher was able to conduct a comparative assessment of the differences and similarities in the responses provided by the different research participants.

To address RQ2, the research developed a coding chart to investigate the role of customers in the innovation process. These results were specifically contrasted with the ideation stimulus identified for BHOs and BHMs - 'discussions with hotel guests'. This was done to assess the degree to which customers corroborated or challenged the insights derived from BHMs and BHOs. In addition, to explore RQ2, the researcher developed a coding chart (Appendix X) to investigate knowledge sharing practices between boutique hotels. This was done to assess to extent to which stakeholders challenged or corroborated the insights derived from BHOs and BHMs regarding ideation through collaborations with other boutique hotels.

In the upcoming section, the measures of trustworthiness implemented in this study are discussed.

3.12 Measures of Trustworthiness

To ensure that the research findings presented in this study are consistent, objective and sound (Miller, 2008), measures of trustworthiness, which refer to "the ways [*sic*] in which qualitative researchers ensure that transferability, credibility, dependability, and confirmability are evident in their research" (Given & Saumure, 2008, p. 859), were implemented. These are:

- **Member checking** – member checking was applied as a measure of trustworthiness in this study to ensure that interview and focus group transcripts accurately mirrored the perspectives, experiences and the multiple realities of the research participant in this study (Ravitch & Carl, 2018). Therefore, through this strategy, this study enhanced the descriptive and interpretive validity of the results by ensuring that the meanings and descriptions of different phenomena are in-line with the research participants viewpoints (Sandelowski, 2008).

- **Data triangulation** – data triangulation was applied in this research to substantiate evidence through multiple sources on various themes and perspectives (Creswell & Poth, 2016). According to Flick (2018), "the concept of triangulation means that an issue of research is considered – or in a constructivist formulation is constituted – from (at least) two points or perspectives" (p. 528). Data triangulation was applied in this research in numerous instances. First, to address RQ1, the researcher triangulated the data derived from BHOs and BHMs with the data from customers, and stakeholders. This allowed for the different perceptions of respondents to emerge. Likewise, to explore RQ2, the data collected from BHOs and BHMs was

first compared within each hotel, then analysed across all hotel groups. Subsequently, the data emanating from BHOs and BHMs was contrasted with the data acquired from boutique hotel customers and stakeholders. To investigate RQ3 and RQ4, the responses provided by BHOs and BHMs were first compared in the same hotel and then analysed in contrast to the entire group of boutique hotels to ensure a comprehensive triangulation process. Through this strategy, the researcher was able to explore the extent to which the responses provided by the respondents in this research aligned or diverged.

- **Thick descriptions** - although this research did not aim to produce generalizable findings, thick descriptions and in-verbatim quotes have been employed in the results Chapter to enhance the study's trustworthiness (Nowell et al., 2017). Thick descriptions provide in-depth, nuanced and detailed accounts of the context and phenomena being explored, enabling future researchers to assess the transferability of the findings. Moreover, by grounding this study in the participants' authentic voices, this approach enabled a rich and contextualized overview of the data, supporting relative comparisons.

- **Audit trail** – a key benchmark of trustworthiness in qualitative research concerns the application of an audit trail, which "provides readers with evidence of the decisions and choices made by the researcher regarding theoretical and methodological issues throughout the study" (Nowell et al., 2017, p. 3). In this study, an audit trail was provided in both Chapter 2 and Chapter 3. Specifically, in Chapter 2, in the positioning of this study, the researcher set forth and discussed the theoretical assumptions employed in this study, including the application of the

demarcation approach, the use of the KBV and the implementation of the micro-foundation and KBDCs approaches. This was done to transparently outline the key assumptions and theoretical foundations applied, and to concurrently discuss the rationale for their application. Second, in Chapter 2, when discussing the conceptual models underpinning RQ2 and RQ3, several discussions were set forth to illustrate the core theoretical frameworks applied to conceptualize knowledge-based innovation practices at the individual- and firm-levels. Last, in Chapter 3, an in-depth discussion of the data analysis strategies applied has been set forth. These audit trails enhance the trustworthiness of this study by providing a systematic account of the research process, allowing researchers to identify and assess the decision processes made at each phase of this research. This level of transparency supports the dependability of this study, by providing a basis for exernal reviewers to scrutinize the practices employed in this research and by providing researchers with a clear framework for the replication of this research.

3.13 Methodological Limitations

The methodological approach adopted in this research comprisies certain limitations.

First, the study adopts a qualitative methodology with subsequent findings that are context specific (in terms of sector, location and time) and only applicable to the investigated boutique hotels. Thus, these results are non-generalisable at both the industry-level and beyond Valletta, and can only propose mid-range theoretical implications. This limitation emerges from the study participants' perceptions relating to the meaning of innovation, drawing from their experiences, timing, biases and background. Such perceptions are

therefore subjective in nature and the interpretation of innovation advanced in this thesis may vary if this study is replicated in other contexts and at a different time. The study's focus on boutique hotels in Valletta (that is a novel and unique setting) means that geographic concentration may influence the process of innovation and thereby be distinct from other sectors or industries. Similarly, as a result of the study's unique context, the study's findings may not relate to the broader impact of innovation in boutique hotels in other small island states – each of which may demonstrate unique characteristics as micro-states or hubs for island tourism. Valletta's specific features as a port city (see, for example, Baldacchino, 2014) may be a strong influence on the proposed implications of this study.

Another key limitation of this research is the absence of a control group of boutique hotels located outside Valletta, Malta. As a result, the specificity and contextual dependence of the findings set forth in this research are challenging to substantiate empirically, as this study lacks comparative data from other boutique hotels in different regions in Malta. This shortcoming limits the generalizability of the findings beyond Valletta, and it also poses as a challenge by making it arduous to determine the extent to which context influenced innovations in boutique hotels. Void of a control group, the findings established in this study do not necessarily capture the unique or shared attributes of innovation in boutique hotels in other regions, limiting the wide-scale applicability of the implications emanating from this study.

The methodological approach fostered in this study to assess the perceived meaning of innovation in boutique hotels comprises certain restrictions. In this respect, relying on the perceptions of different actors to explore the multi-dimensional character of innovation is inherently subjective. By relying on participant perceptions, the results presented in this

study could have been impacted by respondent bias, with actors comprising various motivations and personal stakes in how innovation is perceived. As a result, participant bias could have influenced the data by magnifying positive representations of innovation, further limiting the generalizability of the results presented in this study.

When considering the 124 innovations discussed by BHOs and BHMs, specifically, the categorization of these innovation as either radical or incremental, the interpretation of this categorization emerges primarily through the efforts of the researcher. Nonetheless, as a precautionary measure, a second coder (a collegue) was involved in separately coding these innovations for comparative pursposes. A strong level of inter-coder reliability was observed, suggesting an acceptable level of objectivity in the interpretation and categorization of data. Yet, despite this, the researcher's experiences and personal understanding of radical and incremental innovations might have influenced classification decisions.

To explore innovation, especially as a process and an outcome, this study relied on the memory recall of BHOs and BHMs. This approach towards investigating innovation tends to suffer from a number of shortcomings. Due to recency bias, respondents may have been more likely to recall recently implemented innovations, this results in an incomplete understanding of a boutique hotel's innovation history. This bias is further reinforced by memory decay, with minor improvements and incremental changes often forgotten over temporal periods. As a consequence, the number and types of innovations implemented in boutique hotels may not be completely accurate and the results may not fully reflect the extent of past innovation efforts.

3.14 Conclusion

Chapter 3 has advanced several discussions concerning the methodological framework applied in this study to investigate innovation in boutique hotels, with this exploration positioned as best suited to a constructivist philosophical orientation. This orientation was selected as it was able to provide a rich basis upon which to define innovation by providing a voice to those who both experienced and cultivated innovations, leading to a multi-actor definition of this construct. Likewise, this philosophical lens was able to account for the situated and complex nature of both innovation processes and innovation outputs. Thus, the constructivist philosophical orientation combined with a qualitative methodology supported the researcher in investigating innovation in boutique hotels from an in-depth, narratively rich and context dependent perspective.

The key samples comprising this study included BHOs, BHMs, stakeholders in the local tourism industry and customers. To collect data from these different research participants, the researcher established and implemented a number of different sampling criteria and sampling techniques to ensure that the respondents in this research were in a suitable position to provide the researcher with relevant information on innovation in boutique hotels. The researcher adopted interview/focus group templates and guides to ensure that the data collected in this study fulfilled the objectives of this investigation. In addition, this Chapter discussed the ethical protocols and the corresponding recruitment strategy implemented to capture data from the respondents in this study.

To analyse the data derived from the respondents in this study, data acquired from BHOs and BHMs was assessed through six different data analysis techniques, including open

coding, axial coding, structural coding, provisional coding, causation coding and the constant comparative method. On the other hand, data derived from boutique hotel customers and stakeholders was assessed by way of in-vivo and concept coding, structural coding, a coding chart and the constant comparative method. In addition, the researcher implemented several measures to secure the trustworthiness of this study. Last, the methodological limitations comprising this study have been set forth and discussed.

Based on the data collected from BHOs, BHMs, stakeholders and customers, the following Chapter presents the results of this research.

4   Results

4.1   Introduction

This Chapter offers a comprehensive discussion of the findings that emerged from data analysis, commencing by illustrating the demographic attributes of the research participants comprising this study. This is followed by a discussion on the research context, where the evolution of the boutique hotel phenomenon in Valletta, Malta, and the competitive dynamics in this sector are elucidated. The analysis then shifts to a discussion on the perceived meaning of innovation in boutique hotels. This is followed by a discussion on the innovation processes implemented in boutique hotels, which are examined based on the micro-foundation approach and the knowledge-based dynamic capabilities framework. Thereafter, a discussion on the characteristics comprising the innovations implemented in boutique hotels in Valletta, Malta, is presented. This Chapter concludes by outlining the salient findings derived from this research.

4.2   Demographic Attributes of Research Participants

This section presents an overview of the demographic attributes comprising the respondents who participated in this research, these are stakeholders in the local tourism industry, BHOs, BHMs, and boutique hotel customers.

4.2.1 Stakeholders in the Local Tourism Industry

In total, 10 interviews were held with stakeholders in the local tourism industry from October 2021 to May 2022. All the stakeholders were Maltese nationals. Each interview with stakeholders lasted approximately 40 minutes. In total, the researcher collected 403 minutes of data from stakeholders, with the longest interview having lasted 60 minutes, and the shortest interview having lasted 20 minutes. Out of the ten interviews conducted with stakeholders, three interviews were held online on the Zoom platform and seven interviews were held in-person. The occupations of stakeholders and their allocated pseudonyms are illustrated in Table 4.1 below.

Table 4.1 Occupation of Stakeholders and Allocated Pseudonyms

Allocated Pseudonym	Occupation of Stakeholders
S1	Architect specialized in hotel design
S2	Consultant in the tourism and hospitality industry
S3	Academic specialized in tourism management and historic areas
S4	Accommodation consultant
S5	Representative from the Malta Tourism Authority
S6	Academic specialised in tourism management and cultural heritage
S7	Architect specialized in hotel design
S8	Journalist specialized in tourism in Malta
S9	Real estate acquisition consultant in Valletta
S10	Senior representative from the Malta Hotels and Restaurants Association

(Source: Author)

4.2.2 Boutique Hotel Owners and Managers

In total, 25 interviews were held with BHOs and BHMs from 14 boutique hotels (BHs) located in Valletta, Malta, between August 2021 to May 2022. Each interview with BHOs and BHMs lasted approximately 74 minutes, with the total number of recorded minutes equating 1,923.98 minutes. Due to Covid-19, seven interviews with BHOs and BHMs were held online on the Zoom platform and 18 interviews were held in-person. Out of the 25 BHOs and BHMs in this study, 16 respondents were BHMs, and nine respondents were BHOs. It is relevant to note that none of the BHOs in this sample assumed the role of owner-managers.

The average age of BHOs and BHMs managers was 41 years, and the majority of these respondents were Maltese nationals (n=16/25 respondents). Most BHOs and BHMs had attained the educational qualifications of a bachelor's degree (n=13/25 respondents) and diploma (n=6/25 respondents). A large proportion of BHMs and BHOs (n=8/25 respondents) comprised more than 16 years of experience in the tourism industry and the accommodation sector. This was followed by BHOs and BHMs with no experience (n=5/25 respondents), and BHOs and BHMs with six to ten years of experience (n=4/25 respondents) and 11 to 15 years of experience (n=4/25 respondents). An overview of the demographic attributes of the BHOs and the BHMs in this study and the pseudonyms allocated these respondents is presented in Table 4.2 below.

Table 4.2 Overview of BHO and BHM Demographic Characteristics

Hotel ID	BHM/BHO ID	Age Range	Nationality	Years of Experience	Highest degree obtained
BH1	BHO1.1	40-44	Maltese	0 years	Diploma
	BHM1.1	30-34	Foreign	11-15 years	Diploma
BH2	BHM2.1	30-34	Foreign	6-10 years	Bachelor's degree
	BHM2.2	25-29	Foreign	6-10 years	Diploma
BH3	BHM3.1	35-39	Foreign	11-15 years	Bachelor's degree
BH4	BHM4.1	40-44	Maltese	> 16 years	Bachelor's degree
BH5	BHO5.1	45-49	Foreign	0 years	Bachelor's degree
	BHM5.1	18-24	Maltese	2-5 years	Not disclosed
BH6	BHO6.1	30-34	Foreign	<1 year	Master's degree
	BHM6.1	30-34	Foreign	<1 year	Master's degree
BH7	BHO7.1	50-54	Maltese	>16 years	Diploma
	BHM7.1	25-29	Foreign	6-10 years	Diploma
BH8	BHO8.1	45-49	Maltese	0 years	Bachelor's degree
	BHM8.1	35-39	Foreign	6-10 years	Master's degree
BH9	BHM9.1	40-44	Maltese	>16 years	Bachelor's degree
	BHM9.2	55-59	Maltese	0 years	Diploma
BH10	BHM10.1	50-54	Maltese	11-15 years	Bachelor's degree
BH11	BHO11.1	40-44	Maltese	0 years	Bachelor's degree
	BHM11.1	35-39	Maltese	11-15 years	Bachelor's degree
BH12	BHO12.1	50-54	Maltese	>16 years	Master's degree
	BHM12.1	35-39	Maltese	>16 years	Bachelor's degree
BH13	BHO13.1	45-49	Maltese	>16 years	Bachelor's degree
	BHM13.1	45-49	Maltese	>16 years	Master's degree
BH14	BHO14.1	40-44	Maltese	0 years	Bachelor's degree
	BHM14.1	40-44	Maltese	>16 years	Bachelor's degree

(Source: Author)

The 14 BHs included in this research were established between 2014 to 2020, with the majority of these hotels having opened in 2018 (n=7/14 hotels). In terms of the room count in BHs, most of the BHs constituting the sample comprised between 11 to 20 rooms (n=8/14 hotels). This was followed by BHs with fewer than 10 rooms (n=3/14 hotels). The majority of the BHs in the sample comprised fewer than 10 employees (n=8/14 hotels), followed by BHs with 10 to 20 employees (n=5/14 hotels). When assessing the business size of BHs according to OECD indicators, a metric that presents a consolidated measure of employees across all affiliate organizations, most BHs classify as micro-enterprises (n=8 hotels), two BHs are small organizations (BH4, BH10), two BHs are medium-sized organizations (BH11, BH12) and two BHs are large organizations (BH13, BH14). When considering the ownership structures of BHs, nine BHs constituted independently owned BHs (BH1 to BH9), two BHs were chain-owned (BH10, BH11) and three BHs formed part of multi-sector group owned BHs (BH12, BH13, BH14). Table 4.3 below presents a description of these ownership structures.

Table 4.3 Description of BH Ownership Structures

BH Ownership Structure	Description of Ownership Structure
Independently owned BHs	Independently owned BHs refer to sole proprietorships or family-run firms.
Chain-owned BHs	Chain-owned BHs refer to hotels that form part of a focal organization comprising multiple hotels.
Multi-sector group owned BHs	Multi-sector group owned BHs refer to hotels that form part of a focal organization where emphasis is placed on penetrating numerous economic sectors in addition to the accommodation sector.

(Source: Author)

Given that respondents from chain-owned and multi-sector group owned BHs comprised numerous BHs, during interviews, BHMs and BHOs were specifically asked to focus on discussing just one BH. Both BHMs and BHOs from these hotels were instructed to discuss the same hotel. Table 4.4 below elucidates the characteristics comprising each of the BHs constituting the sample.

Table 4.4 Overview of Boutique Hotel Characteristics

Hotel ID	Years in operation (since 2022)	Room count	Employee count	Enterprise by business size (OECD) – consolidated employee count across all affiliated organizations	Ownership type
BH1	8 years	<10 rooms	<10 employees	Micro enterprise	Independent
BH2	5 years	11-20 rooms	<10 employees	Micro enterprise	Independent
BH3	5 years	11-20 rooms	<10 employees	Micro enterprise	Independent
BH4	4 years	21-30 rooms	10-20 employees	Small enterprise	Independent
BH5	4 years	11-20 rooms	<10 employees	Micro enterprise	Independent
BH6	4 years	<10 rooms	<10 employees	Micro enterprise	Independent
BH7	4 years	11-20 rooms	<10 employees	Micro enterprise	Independent
BH8	4 years	11-20 rooms	<10 employees	Micro enterprise	Independent
BH9	3 years	11-20 rooms	<10 employees	Micro enterprise	Independent
BH10	6 years	11-20 rooms	10-20 employees	Small enterprise	Chain
BH11	4 years	21-30 rooms	10-20 employees	Medium enterprise	Chain
BH12	4 years	<10 rooms	10-20 employees	Medium enterprise	Multi-sector
BH13	5 years	11-20 rooms	10-20 employees	Large enterprise	Multi-sector
BH14	2 years	> 31 rooms	21-30 employees	Large enterprise	Multi-sector

(Source: Author)

4.2.3 Boutique Hotel Customers

Four focus groups with, in total, 25 boutique hotel customers were held online on the Zoom platform between August 2021 to April 2022. The number of participants comprising each focus group and the specific date of each respective focus group are illustrated in Table 4.5 below.

Table 4.5 Date of Focus Groups and Number of Participants in each Focus Group

Focus Group Number	Date of Focus Group	Number of Participants in Focus Group
Focus Group 1	24th August 2021	4 participants
Focus Group 2	20th January 2022	9 participants
Focus Group 3	2nd February 2022	6 participants
Focus Group 4	12th April 2022	6 participants

(Source: Author)

Focus groups with boutique hotel customers lasted an average of 69 minutes, and out of the 25 focus group participants comprising this study, 11 participants were male, and 14 participants were female. In terms of the nationality of focus group participants, eight participants were foreign nationals, and 17 participants were Maltese nationals. The majority of focus group participants were aged between 20 to 29 (n= 8 respondents), 30 to 39 (n= 7 respondents) and 60 years and older (n= 7 respondents).

From the 25 focus group participants, 13 participants reported lodging in a boutique hotel in Gozo and 12 participants reported lodging in a boutique hotel in Malta. Due to the ethical

obligations of this research, focus group participants have been allocated pseudonyms, these are outlined in Table 4.6 below.

Table 4.6 Pseudonyms used for Focus Group Participants

Focus Group Number	Respondent Number	Pseudonym
Focus Group 1	Respondent 1	F1R1
	Respondent 2	F1R2
	Respondent 3	F1R3
	Respondent 4	F1R4
Focus Group 2	Respondent 1	F2R1
	Respondent 2	F2R2
	Respondent 3	F2R3
	Respondent 4	F2R4
	Respondent 5	F2R5
	Respondent 6	F2R6
	Respondent 7	F2R7
	Respondent 8	F2R8
	Respondent 9	F2R9
Focus Group 3	Respondent 1	F3R1
	Respondent 2	F3R2
	Respondent 3	F3R3
	Respondent 4	F3R4
	Respondent 5	F3R5
	Respondent 6	F3R6
Focus Group 4	Respondent 1	F4R1
	Respondent 2	F4R2
	Respondent 3	F4R3
	Respondent 4	F4R4
	Respondent 5	F4R5
	Respondent 6	F4R6

(Source: Author)

Following the preceding overview of the demographic attributes comprising the different sample populations in this research, the upcoming sections set forth discussions on the empirical findings obtained in this research.

4.3   Research Context

Based on interviews with stakeholders, BHOs and BHMs, this section discusses the research context comprising this study. In this section, emphasis is placed on discussing both the evolution of boutique hotels in Valletta, Malta, and the market dynamics in this specific sector. This section concludes by presenting a summary of the key findings that emerged from the discussions presented herein.

4.3.1   Boutique Hotels in Valletta, Malta

The evolution of boutique hotels in Valletta, Malta, gained traction from 2012 onwards, when emphasis in Malta's tourism product was placed on regenerating Malta's capital city, i.e., Valletta, for the European Capital of Culture (ECoC) 2018 (n=6/10 stakeholders). Due to its late development and compared to other destinations in Malta, e.g., Sliema, St. Julians and Bugibba, several stakeholders considered Valletta to represent a nascent tourist destination on the island (n=5/10 stakeholders). In this respect, S8 stated that "back in the 70s and 80s, Valletta was the deadest capital in Europe". S10 asserted that "Valletta was a late starter", and S2 claimed that "I think we went through a situation, maybe a bit before five years, from a zero hospitality destination [Valletta], and I think in many respects Valletta, including lower parts of Valletta, were experiencing an exodus".

Following the implementation of several regeneration initiatives aimed at preparing Valletta for ECoC 2018, the city witnessed an increase in the number of entertainment establishments in the area, with restaurants, bars, and retail concepts mushrooming in every road. At the

same time, "people noticed, 'okay, we have got an abundance of these beautiful old *Palazzi* [palaces] which are falling to bits' and a lot of people, you know, bought them, converted them, and slowly, slowly, you started getting the boutique hotel" (S8).

While there is no fixed date which pinpoints exactly when the boutique hotel phenomenon in Valletta started to emerge, stakeholders outlined that ECoC 2018 combined with an increase in foreign investments in the capital city, played a key role in catalysing the development of these hotels, with the majority of boutique hotels having opened from 2016 onwards (n=6/10 stakeholders). Now referred to as the "*pizzeria* syndrome" (S8), "there is an *epidemic* [emphasis added] of them [BHs], wherever you turn there is a boutique hotel" (S8), with the sector continually advancing due to the "copycat syndrome", where "everybody started trying to say that boutique hotels and restoration, you know, were the best thing in the world, obviously it did create a lot of excess supply" (S2). Today, boutique hotels in Valletta define the city with, according to S5, the commodification of heritage buildings in this area having led to approximately 1,204 beds in licensed accommodation establishments in 2021.

While stakeholders predominantly attributed the growth of the boutique hotel sector in Valletta, Malta, to the "copycat syndrome" (S2), boutique hotel owners seem to have established these particular accommodation provisions for varied reasons. For example, according to three BHOs (n=3/9), the premises used to establish the respective boutique hotels were already owned and part of the family's heritage and, for such owners, converting the premises into a boutique hotel represented a viable avenue to retain the property and concurrently generate revenue. For example, BHO1.1 stated that:

we did not want to sell it [property], so we always tried to do something with this property. . . . we started seeing that Valletta, the tourism in Valletta started to pick up and Valletta was starting to become a destination, so we said why don't we try and do like a small guest house, that was the first idea. (BHO1.1)

Other BHOs (n=3/9) described establishing these accommodation provisions due to their personal interests in travel and accommodation. For example, BHO5.1 stated that:

as I said before, this [boutique hotel] came purely because me and my wife, we were travelling in the past years and we started to appreciate more this kind of product rather than going in a big chain of 300, 400, 500 rooms, where you do not really have an identity. (BHO5.1)

Other BHOs (n=3/9) chose to establish boutique hotels in Valletta based on their prior experience in the industry and market trends. For example, BHO13.1 stated that:

Valletta always fascinated me, it always bothered me that our capital city is dead, and I am a person who is very adventurous, so I do not like to do copy paste, and I like to do new things and bring in value to the market. . . . so, my goal always was to create something new in the market in order to lead, and that is where I started being creative with different concepts. The X [boutique hotel in Valletta] is one of them, and then the X [boutique hotel in Valletta] which we did three years ago, which was a very unique project in the luxury market, something new at the time. (BHO13.1)

Although stakeholders suggested that the uptake of the boutique hotel concept in Valletta was largely driven by an imitative strategy, i.e., the copycat mentality, BHOs (n=9/9) reported that their decisions to establish these specific forms accommodation were driven by a range of factors, including personal interests, an underlying passion for the tourism sector, and the recognition of unique market opportunities. Despite these motivations, however, the rapid growth of this sector has elicited several critiques on the current state of boutique hotels in Valletta.

According to BHM12.1, hoteliers in Valletta "shot themselves [*sic*] in the foot a little bit, because we have way too many properties [boutique hotels]" with "saturation in the market" appearing to be "very pronounced" (BHM13.1). BHM8.1 claimed that "because a lot of boutique hotels grew altogether, no one was really happy to help each other". According to BHM13.1:

> I mean, I think the reality is that before 2019, before covid, it was a bit of a crazy race, who opens the next boutique hotel first, and we were getting to a point of saturation in the market. I still feel we are close to saturation at the moment. (BHM13.1)

Due to the sharp increase in the number of boutique hotels in Valletta, three BHMs (n=3/16) and one BHO (n=1/9) discussed how the sector was currently experiencing heightened competition for customers, while one BHO (n=1/9) and one respective BHM (n=1/16) reported the presence of price wars in the market. As a result of the competitive landscape present in Valletta, relational ties between boutique hotels situated in this context appeared to be mixed.

In this respect, while some BHOs (n=4/9) and BHMs (n=8/16) discussed comprising open and loosely coupled ties with other boutique hotels in the location, other respondents (n=4/16 BHMs; 3/9 BHOs) reported the absence of such ties.

Staring with collaborative ties in the sector. Based on data collected from BHMs (n=4/16) and BHOs (n=4/9), five independently owned and one chain-owned boutique hotel in Valletta, Malta, seem to have agglomerated and developed a co-operative and tightly knit boutique hotel cluster. In this cluster, respondents (n=4/16 BHMs; 4/9 BHOs) discussed how they actively shared lessons learned, new knowledge, and problems. For example, BHO8.1

stated, "as I said, we [other boutique hotels] share data, we share resources, we help each other, but, I mean, I am talking here about six properties". Likewise, BHM4.1 stated that:

> we communicate [boutique hotels in Valletta] just to know what is happening around us. In a big hotel you have a sales department of 20 people, and you can communicate with each other. Over here, you know, it is limited. So, you need to see a bit what is happening in the outside world. (BHM4.1)

Similarly, BHO11.1 stated that "we have a very good relationship with our competitors [other BHs] because, as we see it, Valletta it is like one big family, for example, okay, and all the competitors are our cousins".

On the other hand, other BHMs (n=4/16) and BHOs (n=1/9) in Valletta, described the sector as "fragile" (BHO1.1), with respondents having "found it very difficult to get connections" (BHM1.1). For example, BHM13.1 stated that "really and truly, there isn't that much communication going on with the other boutique hotels in Valletta". Likewise, BHM14.1 stated that "overall, it is a competitive environment, because, obviously, everyone wants to fill his hotel first".

The mixed nature of the relational ties between the different boutique hotels in Valletta, Malta, was substantiated by a number of BHMs (n=3/16) and BHOs (n=2/9), who discussed a series of failed initiatives aimed at bringing these hotels together. In this respect, unsuccessful initiatives included informal networking events, e.g., a business breakfast for boutique hotels and Deloitte survey updates. Even formalized structures for coordinated efforts, such as the development of a Valletta Organization, a board for boutique hotels, a Valletta Forum, and a boutique hotel committee, seemed to represent unsuccessful efforts aimed at bringing these hotels together. BHO1.1, for example, stated that "once we tried to

do like all the boutique hotels get together, and we started organizing things to work well together, but a lot of meetings and nothing happened unfortunately". Similarly, BHO13.1 stated that:

> I was the first one to, I mean, one of the first to have a [boutique] hotel, and I was the first one to try to create a committee between us, and I tried to include the local council and many other stakeholders. But, everybody has his own political agenda, so I just dropped it. (BHO13.1)

A number of stakeholders (n=5/10) also described the nature of the relationships between boutique hoteliers in Valletta, Malta, as rather closed and cut-off. For example, S2 stated that:

> I think that the lack of sharing information [between boutique hotels] actually led to a dip in 2018 to 2019 rates, because, obviously, one operator who had a higher quality product was not happy with business, and started dropping rates, and it is a chain reaction. At the end of the day, if someone with superior products drops their rates, there is a snowball effect. (S2)

When discussing knowledge sharing between boutique hotels in Valletta, S6 stated that:

> knowing the Maltese mentality, many times, people try to work on their own. They come together in emergencies, true, because they have to. But, when things are okay, when business is bright, when things seem to be okay, and tourists are coming, they don't really need to find mechanics how to attract people. (S6)

Based on the nature of the boutique hotel sector, several BHMs (n=3/16) and BHOs (n=2/9) described the overarching attitude of hoteliers in this sector to be defensive, with respondents having identified and discussed a number of barriers that were believed to contribute towards this mindset. For example, BHO1.1 and BHO7.1 discussed how a copycat mentality generally inhibited relational ties from forming between personnel in boutique hotels. In this regard, BHO1.1 stated that:

if you look at the restaurant of X [competing boutique hotel in Valletta], they used the same style of chairs and colour scheme like us… . do your own thing, be unique, you have that opportunity, we are not a lot [of boutique hotels] in Valletta, why try to copy someone in Valletta? Try to copy someone in Rome, Milan, or London. (BHO1.1)

Likewise, BHO7.1 claimed that:

as an industry, in general, people tend to be very apprehensive. . . . so, I don't tell you what's going on in my life [business] because you might steal my trade secrets and you might steal my business and you might, you know, do better than me. That is the initial reaction of people in my industry [boutique hotels]. So, you have to tread very carefully. (BHO7.1)

BHM2.1 attributed this defensive mindset to a profit-driven mentality, where one's access to financial resources seemed to determine whether and to what extent hotels collaborated. For example, BHM2.1 stated that "it was, for example, very sad when I saw that X [competing boutique hotel] managed to do a deal with X [competing hotel in Valletta], when we had been trying to do the same deal for the past three years". A subsequent barrier which seems to have inhibited relational ties from forming between personnel from different boutique hotels in the sector pertained to the fact that most boutique hotels were established during the same timeframe, and thus, according to BHM8.1 this may have heightened competition between boutique hotels and negatively impacted the willingness of personnel from these hotels to engage in collaborative relationships.

In addition, several stakeholders (n=4/10), BHMs (n=5/16) and BHOs (n=1/9), also discussed how the terminology boutique hotel has come to represent an all-encompassing term (S4), a vague point of reference (S6), and a subjective construct (S8). As a result, "unfortunately, you get hotels which do not fit into that description [boutique hotel] and they call themselves boutique hotels, and therefore, it *loses its value* [emphasis added]" (S3). This, combined with insufficient regulations and classification systems for boutique hotels,

has led to confusion in the market regarding what comprises a boutique hotel. For example, BHM2.1 stressed that:

> why are we being categorized as a guesthouse when we have nothing to do with guesthouses, we are a boutique hotel and, I am sorry, like, how can you have something which is providing the services as a hotel, or you would say like a 4-star hotel, and you are classified as a guesthouse, because you have all the services of the hotel. (BHM2.1)

Likewise, BHM9.1 stated that:

> MTA [Malta tourism authority] will promote you as a boutique hotel, but, you are [licensed] a guesthouse. Now, the concept of a guesthouse is completely different to a boutique hotel. But, obviously, like a lot of things in Malta, first we do the things, then we try to correct them afterwards. (BHM9.1)

As a consequence of these shortcomings, BHO8.1 discussed how tensions between boutique hotels in Valletta increased, and without a clear sense of identity, i.e., definition of boutique hotels, and devoid of regulations, these hotels, with the exception of one collaborative cluster, seem to be facing noteworthy levels of competition and fragmentation, with mixed relational ties appearing to characterize this sector.

4.3.2 Summary

Following several regeneration efforts aimed at equipping Valletta for the ECoC 2018, interest in Valletta as a stand-alone destination increased. During this period, i.e., 2012-2018, not only did Valletta experience infrastructural upgrades, however, the city also bore witness to the evolution of the boutique hotel phenomenon, with old *Palazzi* readapted for use as accommodation provisions. Today, i.e., 2021/2022, boutique hotels have mushroomed in every road and on every corner in Valletta and have come to represent a nascent and loosely defined market offering. As a consequence of market saturation, the copycat mentality, a profit-oriented disposition and the *en masse* evolution of boutique hotels in Valletta, several stakeholders, BHMs and BHOs expressed their concerns over the current state of the sector, which seems to be best described as replete with competitive rivalry. As a result of service offering concentration, only one collaborative cluster comprising a handful of independently owned and one chain-owned boutique hotel seems to have developed in this sector, with the plurality of the accommodation provisions investigated in this study revealed to comprise loose relational ties.

Following this discussion, the next section describes the perceived meaning of innovation in boutique hotels from the viewpoint of customers, local stakeholders, BHMs and BHOs.

4.4 Perceived Meaning of Innovation in Boutique Hotels

This section discusses the perceived meaning of innovation in boutique hotels from the viewpoint of boutique hotel customers, stakeholders in the local tourism industry, BHMs and BHOs. This section concludes by advancing the salient findings set forth herein.

4.4.1 Perceived Meaning of Innovation in Boutique Hotels

During interviews with stakeholders, BHOs, BHMs, and focus groups with boutique hotel customers, the research participants in this study were asked to describe what they perceived was meant by innovation in boutique hotels.

Based on the results acquired through data collection, Figure 4.1 below illustrates the different innovation outcomes the research participants in this study perceived characterize innovation. With innovation in boutique hotels found to reflect changes in products, services, and processes. Each of these innovation categories is discussed in the forthcoming section.

Figure 4.1 Perceived meaning of Innovation in Boutique Hotels
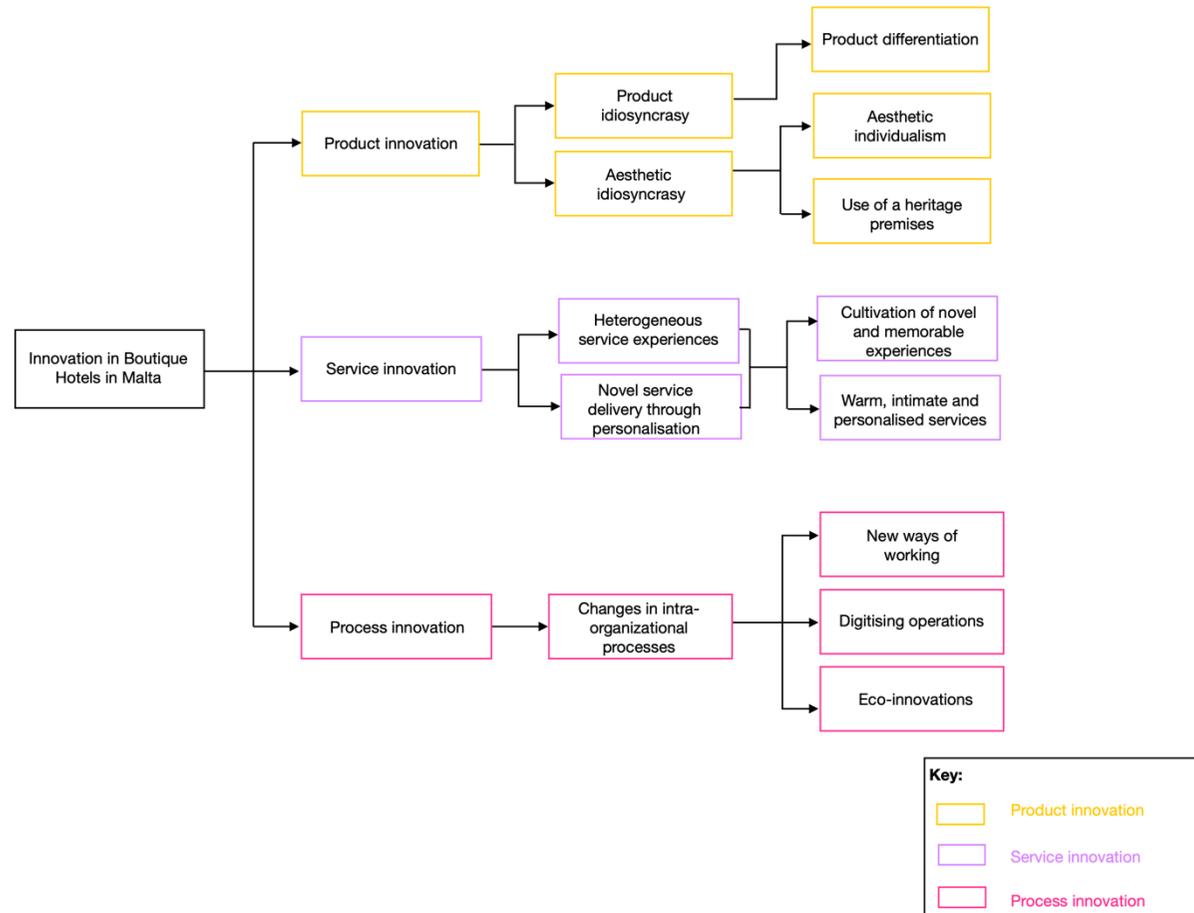
(Source: Author)

4.4.1.1 Product Innovation

According to some boutique hotel customers (n=8/25), stakeholders (n=9/10), BHMs (n=4/16) and BHOs (n=7/10), innovation in boutique hotels was perceived to refer to product innovation which, in this context, inferred both product and aesthetic idiosyncrasy.

Starting with product idiosyncrasy, from the viewpoint of a few BHMs (n=3/16) and BHOs (n= 4/9), boutique hotels were perceived to reflect a product innovation characterized by noticeable product offering differences. For example, BHO6.1 stated that "well, for me, it is [innovation] just about being different, being able to stand out from anything else, to present a different product, you know?". According to this respondent, BH6 differentiated itself by being "funky" (BHO6.1) and by comprising rich links to local history *via* the strategic use of heritage premises. BHO6.1 stressed that innovation revolved around "the history of the building, because it is an old place", accordingly, this respondent also stated that, "we are constantly buying stuff, we are still decorating. . . . it is not a project that is finished, we are still working on it, and I think we will always be working on it" (BHO6.1). Providing a pragmatic example of product differentiation *via* innovation, BHO6.1 asserted that:

> In most hotels, I think the colours tend to stand out a bit less, so we said, "no, we want something which stands out", you know. So, we used many different things to furnish it, you know, the little angel on the wall, the antique here and there, the Lisbon bedhead and there was another bed which we built ourselves out of old beams, literally four beams, it is like a four posted bed, and it is quite impressive when you're looking at it. (BHO6.1)

BHO14.1 claimed that innovation involves "creating a niche for your brand [boutique hotel]. To attract the sort of particular clientele, you need to create something innovative". This involved thinking about ""why would guests come to our hotel? What will make us different?" Because you need to be different to be successful" (BHO14.1). To this respondent, differentiation constituted thematized décor, in BH14 this was done by creating "a cinema feel" (BHO14.1). According to BHO14.1:

> Even the colours inside [the hotel], the green with brown, we developed this cinema theme. In the rooms, we wanted to have something particular, so one of the items we went for which is a little different is the showerhead, the showerhead is quite a cool design which lights up, something different, you know. (BHO14.1)

For BHM11.1, "innovation is, in my opinion, offering a different product to what others [boutique hotels] are offering", and BHO13.1 stated that "so each property [boutique hotel] has a concept, a unique concept which adds value to the market and allows us to have a competitive edge over our competition through the product offer rather than the price". According to this respondent:

> "my goal always was to create something new in the market in order to lead, and that is where I started being creative with different concepts. . . . I came up with X [boutique hotel], a new concept with an industrial feel in a baroque setting, to create that contrast. . . . I started with digital because that is what I felt is going forward, and then I realized that in the industry we are lacking the one-to-one good old hospitality, where we really care and go out of our way for our guests, where we would have the concierge and the porter to carry our luggage, those privileges which we've lost along the way, and then we created X [another boutique hotel]". (BHO13.1)

To these respondents, product innovation in boutique hotels constituted product differentiation, with these hotels found to reflect "a new type of accommodation, a different type of accommodation" (BHO5.1), a form of accommodation that stands out on the market when contrasted against other hotels. It is relevant to note, however, that although some respondents considered product differentiation in boutique hotels to constitute an innovation, this perception does not necessarily imply novelty relative to the broader industry.

In addition to product idiosyncrasy, innovation in the context of boutique hotels also referred to aesthetic idiosyncrasy, which incorporated two elements. First, aesthetic idiosyncrasy referred to aesthetic individualism established by way of inimitable internal décor. Second, it reflected the novelty of being situated in a heritage premises.

Starting with aesthetic individualism, according to one BHM (n=1/16), one BHO (n=1/9), a number of stakeholders (n=6/10) and some boutique hotel customers (n=3/25), boutique hotels reflected a product innovation defined by their novel use of internal décor. In this regard, both BHM3.1 and BHO11.1 stressed that the décor used in boutique hotels represented a source of individualism that also acted as a difficult to replicate element. Thus, for these respondents (BHM3.1, BHO11.1), décor reflected a product innovation which provided boutique hotels with some degree of inimitability and competitive advantage. For example, BHO11.1 claimed that:

> the design plays an important role in it [innovation]. . . . Like [in] hotel X we went for traditional Maltese tiles, we went for that look. Then, [in] hotel Y, it is more baroque, more palatial, not that the other hotel is not, however, it is different. So, even the textures and the crockery, it is different in hotel Y and the new one has its own story as well, it is linked to nobility. So, in terms of innovation, each property is different. (BHO11.1)

Similarly, for stakeholders (n=6/10), curated design elements in boutique hotels constituted a form of innovation which played a fundamental role in establishing idiosyncratic contexts. For example, S5 asserted that "design should offer an accommodation experience that cannot be paralleled anywhere else". Similarly, S10 stated that "the innovation [in boutique hotels] has to come from the design, from what you actually do with the building". Likewise, S1 claimed that in boutique hotels:

> the teapot has been chosen out of 50 teapots and a kettle has been chosen out of 20 kettles, so, there is a lot of thought, you know? And this is why you hone into the boutique, no? Boutique means a small shop, it means something which is special. (S1)

Similarly, S3 referred to boutique hotels as "something chic", with this respondent stressing that these hotels tend to innovate through their "emphasis on design". Likewise, aesthetic individualism was also accentuated by S8, who described how boutique hotels tend to use thematized décor as a source of novelty. According to S8:

> I like it, there [reference to a particular boutique hotel] is a fusion of Far East meets West and, for me, it works. I like this eclectic, different type of, I won't say symbolism, but the bar is like Far Eastern, and so is the lobby. Elsewhere it is more European elegance. I like that, you know. Others [boutique hotels] are super modern, which is nice as well. (S8)

In addition to stakeholders, focus group participants also perceived the décor comprising boutique hotels to represent an innovation (n=3/25 customers), with the unique colour schemes, one-of-a-kind art, and the eccentric and quirky themes defining boutique hotels in Malta believed to lead to the development of unparalleled servicescapes. For example, F4R4 stated that "I think in terms of innovation, I think the art did it for me and the colour scheme. I liked the way they matched all of that, I thought it was very well done". Similarly, both F1R2 and F2R7 described how the boutique hotels they lodged in possessed novel interior

designs defined by curated art, bright colour schemes, and well-matched furnishings. For example, F2R7 stated that "for me it [innovation] is, I think it is the style and the finishing touches, you know like modern art, small things".

In addition to aesthetic individualism, according to two BHOs (n=2/9), three stakeholders (n=3/10) and five focus group participants (n=5/25), aesthetic idiosyncrasy, and therefore, product innovation, was also perceived to occur in boutique hotels through the architectural novelty of being situated in a heritage/historic building.

For two BHOs (n=2/9), the heritage premises in which boutique hotels in Malta were generally situated was perceived to play a core role in contributing towards the overall "character" of the hotel and the service experience. For example, BHO1.1 stated that "any boutique hotel needs to have the character of the old building" for it to be considered 'boutique' and innovative. Likewise, BHO11.1 claimed that "I think, since it is like an individual hotel, or independent hotel, I think it needs to have its own character, you know. . . . The fact that obviously ours [boutique hotels] have history always makes it exciting". For a few stakeholders (n=3/10), the use of a heritage premises also represented a form of architectural novelty and product innovation, with the tangible infrastructure of these hotels used to "creating something different" (S2). In this regard, S2 claimed that the adaptive re-use of heritage premises in Valletta generally required high degrees of innovation. According this respondent:

> historic buildings have many challenges because there are restrictions and you need to provide, for example, vertical access which is adequate. So, even in the design itself, there are, you know, the architect in conjunction with the client, they have to be innovative in terms of creating something different. (S2)

For focus group participants (n=5/25), the heritage premises utilized by boutique hotels in Malta, which generally preserves the traditional architectural features of historic buildings, led to an aesthetically novel context and accommodation provision. For example, F3R2 stated that "I mean, I see it innovative from the point of view that they convert an old house into a beautiful place and very nice hotel". F3R4 claimed that:

> I am sure it was definitely not an easy thing to convert a traditional building like that [boutique hotel] and then, you know, make it into this amazing hotel where you kind of feel like you are in a house but you're not. (F3R4)

F3R6 stressed that:

> So, one area they are being innovative in and should remain innovative in [is] maintaining some of the typical Maltese architectural features within the hotel, such as the old tiles, for example, the staircases with the iron railing and so on. (F3R6)

Based on these results, innovation in boutique hotels was perceived to constitute a product innovation defined by two key elements, these are product differentiation and aesthetic idiosyncrasy.

4.4.1.2 Service Innovation

In addition to representing a product innovation, innovation in boutique hotels was also perceived to comprise a service innovation which referred to the cultivation of heterogeneous service experiences and novel service delivery *via* the deployment of personalized approaches.

Starting with heterogeneous service experiences, for three BHMs (n=3/16), one BHO (n=1/9), and four stakeholders (n=4/10), innovation in boutique hotels in Malta was evident through the cultivation and deployment of novel service experiences. In this regard, BHO8.1 stated that, "at the end of the day it [service experience] is a core part of what we do", with innovation involving "finding ways of elevating the guest experience". Likewise, BHM12.1 claimed that:

> innovation is less about the tangibility of what you find in the room, and more about the attitude. We can be very innovative in our approaches, in our attitude. . . . in what we offer to guests, in the experience we create. (BHM12.1)

BHM12.1 elaborated on the service experiences offered to guests lodging in BH12, with this respondent having described a number of turn-down services (services delivered by housekeeping in the early evening in each guest's room), including a tea experience, were guests can enjoy tasting an assortment of different tea leaves, a facial ritual, were guests are invited to create their own face mask, and a cocktail experience, which invites guests to make their own cocktail. According to BHM12.1:

> think of the playfulness of you coming to your room, finding instructions, a little letter with a shaker, with the alcohol, if you're here with your partner you will have a good memory

from shaking it yourself, you know, because you don't get to do that on a daily basis, we want to try and find ways to get guests to engage. This will be their memory. (BHM12.1)

Likewise, BHM2.1 stated that:

pre-Covid [Covid-19 pandemic], the innovation is about the experience that they [customers] feel welcomed, they feel pampered, they feel looked after, they feel like they can rely on you in any way. So, you are there for them no matter what time. And, for us, the biggest drive is the rooftop terrace, we held every day Aperitivo, glass of prosecco, any wine, or beer, they would have some small nibbles, and they would enjoy it over two hours, you know, during sunset. So, you bring the people together, it is the experience, that is what the innovation is. Big hotels do not have this. (BHM2.1)

While the preceding respondents considered additional free/complimentary service experiences which were generally unexpected by hotel guests to comprise innovation in boutique hotels in Malta, BHM13.1 spoke of purchasable experiences. In this respect, BHM13.1 asserted that innovation in boutique hotels comprised providing guests with access to an assortment of experiences, including yacht charters, private cooking lessons, scheduled visits to Gozo, organized exclusive shopping experiences, bell ringing tours in Malta, and wine tasting experiences.

Unlike the preceding respondents who considered innovation in boutique hotels to comprise free or purchasable service experiences, for stakeholders (n=4/10), innovations, i.e., heterogeneous experiences, in boutique hotels in Malta were primarily concerned with ambiance and atmospherics, e.g., the behaviour of managers, the music used in the lobby, the lighting, and the scents in the hotel. For example, S5 stated that "the whole stay becomes an individual experience playing with the guests' senses in terms of sight, smell, [and] touch". Similarly, S1 claimed that "the experience, the total innovative immersive experience", which was described to resemble a state of flow.

For nine BHMs (n=9/16), three BHOs (n=3/9), and five stakeholders (n=5/10), innovation in boutique hotels was also described to comprise novel service delivery, a service innovation denoted to occur by way of the unique interpersonal skills of hotel personnel, and which generally resulted in the development of a home-like atmosphere.

As an example of this, BHM2.2 stated that in boutique hotels innovation translates into "we [at the hotel] are like a family, and they [hotel guests] feel like they are at a home away from home". Therefore, innovation involves "finding ways of offering a warmer, more professional, [and] more personalized service" (BHO8.1). BHO5.1 stated that:

> innovation could be that you [hotel guest] have a direct relationship with staff, with the owner, [and] with the manager. People are coming in this kind of facility [boutique hotel] as a guest and I do not want to sound repetitive, but they leave as a friend. (BHO5.1)

Likewise, BHM8.1 claimed that:

> I think that in a way innovation is going back to the basics. So, not being cold, not being in a 500-room hotel where you are just a number. The innovation for me comes in the way we deal with guests, not in the actual facilities or amenities that the properties can have, because those would be the same wherever you are. (BHM8.1)

Bringing these perspectives together, BHM12.1 stressed that:

> the staff are the biggest resource, your biggest investment, and the biggest variable as well that can make or break the way you come across to your clients. So, if I had to focus on an innovative aspect, it would be the behaviour and the attitude of staff. (BHM12.1)

To accentuate the importance of this form of innovation, several BHMs (n=8/16) and BHOs (n=3/9) provided concrete examples of prior hotel contexts where personalized interactions between hotel staff and guests did not occur. BHM2.2, for example, claimed that "in big

hotels, or other hotels, let me give you an example of the other hotel I worked in, it was like

a factory, you check guests in, 'thank you', 'goodbye'". Similarly, BHM5.1 asserted that:

> here [in the boutique hotel], you have the time to explain to the guest about what is nice to visit in Valletta, in big hotels, you cannot speak to the guest because there is a lot of work to be done with check-ins and check-outs. But, at this level, in a boutique hotel with 18 rooms, there is more time to communicate with the guests. (BHM5.1)

Likewise, when speaking of staff in 5-star hotels, BHM11.1 stated that "the guests, for them

[staff in 5-star hotels], are just a number, you know, they are like robots. Here, I tell my staff,

'don't put on this fake thing, just be yourself", and the guests love it". Tying these

perspectives together, BHO8.1 stated that:

> the larger properties offer you choice, they offer you facilities, they offer you consistency wherever you go, they offer loyalty programs. So, they have a bunch of value-adds that, you know, somebody might find right for them. The boutique experience, as you know is different. It is about the property being a little bit more unique, it is about the service being more personalized. (BHO8.1)

In line with the preceding perspectives, a number of stakeholders (n=5/10) also considered

the interpersonal skills of the personnel in boutique hotels to comprise a form of service

innovation. For example, S6 stressed that:

> something that every boutique hotel should have which is different from the bigger anonymous hotels is the intimacy of the human presence, that is the owners or the managers there, of the hotel, should be closer to the guest, they should know them practically by heart. . . . they should literally read the faces of people, they should note the gestures of people. (S6)

S6's perspective was substantiated by BHM1.1, who claimed that:

> my team has been thought to spend 10% of their time on the computer and spend the other percent trying to accommodate every request that a client has. Our main goal is to anticipate because body language is going to teach you many things. (BHM1.1)

Likewise, S7 asserted that "some hotels would offer a very personal service, I mean where you either have the owner or actually sometimes someone who has a bit of charisma", and S10 claimed that "you're meeting the person that owns and runs the hotel and you're getting special attention". Due to the importance of establish close relational ties with customers, several BHMs (n=5/16) and BHOs (n=2/9) discussed and accentuated the value and noteworthy function of possessing 'personality/character'. For example, BHM8.1 stated that:

> I personally, unless I like the person's 'feel' and I know they can be a perfect fit, I would rather train someone [potential candidate] from scratch. I would rather have someone with basically no knowledge and experience than someone who just went down [graduates] from X [accredited institution] and they believe they know it all and then you put them at reception and they don't know how to say 'good morning' to someone. (BHM8.1)

BHM4.1 claimed that "we can employ someone to deliver a plate to your table, but we want someone who has a bit of personality, who has the charm to talk to the guest". Bringing these viewpoints together, BHM3.1 stated that "it's either you have it [the personality to work in hospitality] or you don't have it. It's super simple".

Based on these results, innovation in boutique hotels in Malta comprised two particular forms of service innovation, these are the capacity to cultivate and deploy heterogeneous service experiences for guests to enjoy, and novel service delivery *via* personalization, which involves warm and intimate communications with guests.

4.4.1.3 Process Innovation

According to a number of stakeholders (n=2/10), BHMs (n= 7/16) and BHOs (n=5/9), innovation in boutique hotels also reflected adaptations, improvements or changes to processes, with three specific types of process innovations referred to, these are new methods of working, digitized operations, and eco-innovations.

Staring with new methods of working, for four BHMs (n=4/16) and two BHOs (n=2/9), innovation in boutique hotels reflected the capacity of personnel in these accommodation provisions to identify areas for improvement in current operations. This form of innovation was described to occur in a number of processes comprising boutique hotels, such as breakfast services, service delivery systems, and products. For example, BHM10.1 stated that:

> I think, in my opinion, innovation would refer to being innovative, constantly trying to come up with new ideas, for example, changing the way our breakfast is maybe served, in the sense, the items changing, being more healthy, not being the same. (BHM10.1)

Building on this, for both BHO13.1 and BHM13.1, new ways of working was described to reflect modifications to a hotel's service delivery system, the product/s on offer, and adaptations to the ways in which a product or service are sold. For BHM14.1, new ways of working referred to "trying to do things in a different way in order to be more profitable". Therefore, this respondent perceived process innovation to comprise process re-engineering for enhanced financial gains.

Another type of process innovation discussed by one BHM (n=1/16), one BHO (n=1/9) and two stakeholders (n=2/10), was innovation through digitization. For BHM4.1 and BHO12.1, innovation *via* digitization played a dual role. First, innovation through digitization was implemented in the respective boutique hotels to provide hotel guests with a seamless hotel experience and enhanced levels of personalization. For example, BHO12.1 stated that:

> we have a total connected strategy and so, literally, the operation now is digitalized, all of it, so we know when you arrive at the airport. . . . we know what wine you like, we know what scents you like. (BHO12.1)

Second, these respondents also outlined that innovation through digitization was used in their respective boutique hotels to augment intra-organizational processes. In this respect, BHM4.1 claimed that:

> what we have is online check-in and online check-out. . . . there is that kind of technological innovation. . . . the hotel system we use, we did it that guests can do an online check-in, so everything is online and you can even sign the card online, so you just don't touch anything, it is contactless. These two innovation ports help. (BHM4.1)

S8 tied the preceding perspectives together by stating that:

> boutique hotel X was built as a smart hotel where your check-in and everything is done by smartphone. . . . I think a lot of the new technology is being adopted in [boutique hotels], you know, back office, reception, and in rooms. (S8)

Furthermore, these respondents also acknowledged that due to the competitive nature of the accommodation sector, innovation *via* digitization, e.g., unlocking hotel doors through mobile applications, was becoming increasingly necessary for hotels to retain their competitive edge and to deliver superior service experiences. From a slightly different perspective, for stakeholders, particularly S5, digitization in boutique hotels was described

as a fundamental tool used to bridge the heritage nature of these hotels with modernist elements. In this respect, S5 claimed that "technology plays an important part in achieving such an experience. The strong historic context of Valletta coupled with modern innovative technology and design should offer an accommodation experience that cannot be equalled anywhere else". To S5, innovation through digitization was considered necessary in boutique hotels to combine the old [heritage premises] with the new [technology], and it was also believed to play a fundamental role in assisting personnel in these hotels develop and deliver novel experience.

In addition to digitization, for two BHMs (n=2/16) and two BHOs (n=2/9), process innovations in boutique hotels were also interlinked to eco-innovations. In this respect, BHM6.1 discussed how digitization in BH6 led to augmented processes and eco-innovations. According to this respondent:

> maybe change for ecological point of view, that is what I mainly put attention on. It is to change, for example, certain habits like, small things, like don't print any more welcome letters on paper, but, send them by WhatsApp, send them by email, and trying to be as paperless as possible. (BHM6.1)

For this respondent (BHM6.1), augmenting processes through digital technologies proved instrumental in creating a paperless intra-organizational infrastructure, paving the way for the cultivation of eco-innovations. For BHO12.1, eco-innovation was described to constitute a fundamental pillar comprising the boutique hotel, with this organization having altered its structure and processes to establish cross-functional teams for innovation and sustainability. According to BHO12.1, "we have this squad [cross-functional team] where we do sustainability initiatives and we have a champion in the team who comes up with innovative ways to be more sustainable". In addition, similar to BHM6.1, this respondent spoke of

implementing digital technologies within the hotel's infrastructure for augmented processes and eco-innovations:

> I think we were the first with a lot of [the] sustainability measures that we took, like energy management and stuff like that, we have energy management here as well, which costs a lot of money. So, as soon as there is no one in the room, everything is out, and it senses the body movement and stuff like that, and we can measure the energy per room. (BHO12.1)

For BHO8.1, eco-innovations were predominantly interlinked to the construction processes deployed by contractors, designers, and boutique hotel owners when developing hotels. According to this respondent:

> I think innovation is the property, using innovation to make the property more sustainable which, right now, is obviously a massive thing going forward. Starting from the material used to construct, to the furniture you put in, to the facilities and all that. (BHO8.1)

Based on these results, innovation in boutique hotels in Malta was perceived to refer to three specific process innovations. First, process innovations inferred altering established ways of doing things for enhanced process efficiency and financial gains. Second, process innovations signified the digitization of operations for streamlined intra-organizational processes and enhanced customer experiences. Last, process innovations referred to modifications in established practices for eco-oriented and sustainability driven outputs.

4.4.2 Summary

Based on the empirical results of this research, innovation in boutique hotels was perceived by the respondents in this study to constitute to an outcome, i.e., the by-product of creative efforts. In this situated context and from the multi-actor perspectives considered in this study, innovation was believed to occur in three key dimensions, these are products, services, and processes. Through contextualization and an in-depth analysis of the data, layers of detail have been added to these generic innovation categories. By way of contextualization, product innovation was found to refer to product idiosyncrasy and aesthetic individualism. Service innovation was interlinked to heterogeneous service experiences and novel service delivery *via* personalization. Last, process innovation was believed to infer new ways of working, digitized operations, and eco-innovations.

Figure 4.2 Perceived meaning of innovation in Boutique Hotels by Respondent
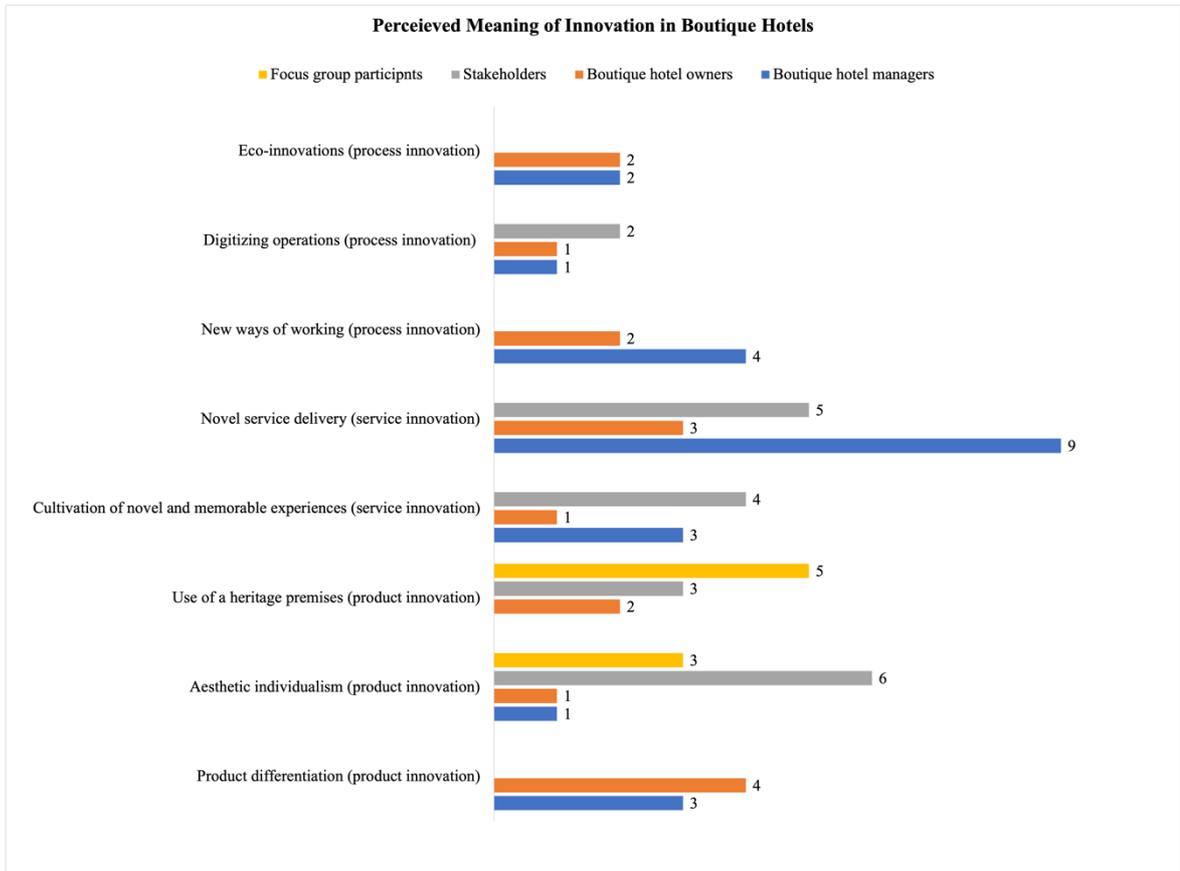
(Source: Author)

In line with Figure 4.2 above, the results of this study illustrated that different respondent groups interlinked innovation in boutique hotels to different innovation outcomes. For example, for focus group participants, innovation in boutique hotels was perceived to reflect a product innovation, with these respondents found to associate innovation in these hotels with the heritage nature of the premises used to establish boutique hotels, and the idiosyncratic décor used to furnish these hotels. For stakeholders, innovation in boutique hotels was perceived to represent a broader construct which was denoted to occur in processes, services, and products. To these respondents, however, innovation in boutique

hotels was predominantly interlinked to the aesthetic individualism of boutique hotels, which occurred *via* imitable internal décor (product innovation), the novelty of the services delivered, which was described as warm and personal (service innovation), and the ability of personnel in these hotels to deliver and cultivate novel experiences for guests to enjoy (service innovation). For BHOs and BHMs, innovation represented an all-encompassing construct, however, in the case of BHOs, innovation was interlinked to product differentiation, i.e., offering customers a novel concept, and for BHMs, innovation was associated with service innovation *via* personalization.

These results indicate that to a certain extent innovation in boutique hotels is a relative construct, i.e., relative to an individual's role and perception. Therefore, the role played by an individual in the context of a boutique hotel, e.g., hotel guest, hotel staff, hotel owner, or stakeholder, seems to exert an influence on the ascribed meaning of innovation.

Based on the findings set forth in this section, innovation in boutique hotels can be defined as: product novelty, which comprises aesthetic individualism, architectural idiosyncrasy, and a perceived sense of being 'different' to other accommodation provisions. A service innovation, comprising staged experiences and novel service interactions established through warm, intimate, and personalized approaches. A process innovation constituting new ways of working, digitized operations, and eco-innovations.

By using the perceptions of customers, stakeholders, BHOs and BHMs to investigate innovation in boutique hotels, this research has advanced a comprehensive viewpoint of how innovation is viewed in this novel context. As illustrated in Figure 4.2, each respondent group contributed distinct insights that enrich and contextualize the meaning of innovation

and its relative significance in boutique hotels. BHOs and BHMs, as individuals who closely interact with customers as well as develop innovations, offered practical and operational viewpoints of innovation, with their perspectives highlighting the emphasis that is generally placed in boutique hotels on product differentiation, customer experiences and service quality.

On the other hand, the inclusion of customers and stakeholders in this study added critical dimensions to these viewpoints. Customers, as the recipients of innovations, provided insights that emphasized the experiential value of innovation, with these respondents describing how the novelty of the premises used to establish boutique hotels, and the subsequent décor used to furnish these hotels influenced their perspectives of the hotel's uniqueness. Stakeholders, who provided a more extensive viewpoint of innovation, contributed to a broader industry perspective of innovation in boutique hotels, that illustrated how innovation benefits both hoteliers and customers. This multifaceted method to frame innovation contributed to a granular, in-depth and comprehensive understanding of innovation embedded in lived experiences.

While this section has set forth the results on the perceived meaning of innovation in boutique hotels, the next section discusses the innovation process from a micro-foundation perspective.

4.5 Innovation Process from a Micro-Foundation Perspective

This section discusses the nine phases, i.e., micro-level practices and actions, that BHOs and BHMs implemented to establish innovation outputs through knowledge resources in boutique hotels in Valletta, Malta. An outline of these processes is illustrated in Figure 4.3 below. This section concludes by presenting the salient findings discussed herein.

Figure 4.3 Knowledge-Based Micro-Foundation Processes Implemented in Boutique Hotels in Valletta, Malta

Innovation Process

Description of Process

Phase 1: Idea Generation

Phase 2: Market Research

Phase 3: Intra-organizational knowledge creation

Phase 4: Testing Ideas

Phase 5: Decision-making

Phase 6: Knowledge assembly

Phase 7: Implementation

Phase 8: Knowledge sharing

Phase 9: Feedback post-innovation

Refinement

Phase 1: In the idea generation phase, boutique hotel owners (BHOs) and managers (BHMs) described using 21 stimuli to identify innovation opportunities.

Phase 2: After an idea was identified, BHOs and BHMs discussed conducting market research to determine the viability of an idea or to assess the variety of product/services available.

Phase 3: Once market research was conducted, BHOs and BHMs described communicating their idea/s to intra-organizational personnel. This process occurred formally and informally.

Phase 4: In a few hotels, once an idea was discussed, it was subject to testing. This was done to determine the viability of an idea.

Phase 5: Once an idea was discussed with intra-organizational personnel and, in some cases, tested, a decision on the idea would be taken.

Phase 6: In some hotels, processes were implemented to either establish training for personnel to understand the innovation or processes were developed to recruit personnel.

Phase 7: Once a decision on an idea was taken, BHOs and BHMs described implementing the idea.

Phase 8: Once an innovation was implemented, BHOs and BHMs described communicating information about the innovation to intra-organizational personnel.

Phase 9: In a few hotels, BHOs and BHMs discussed implementing measures to test the performance of an innovation and, in turn, refine/improve the innovation.

(Adapted from: Buhagiar 2022)

4.5.1 Phase 1: Idea Generation

Figure 4.4 Stimuli used in the Idea Generation Process
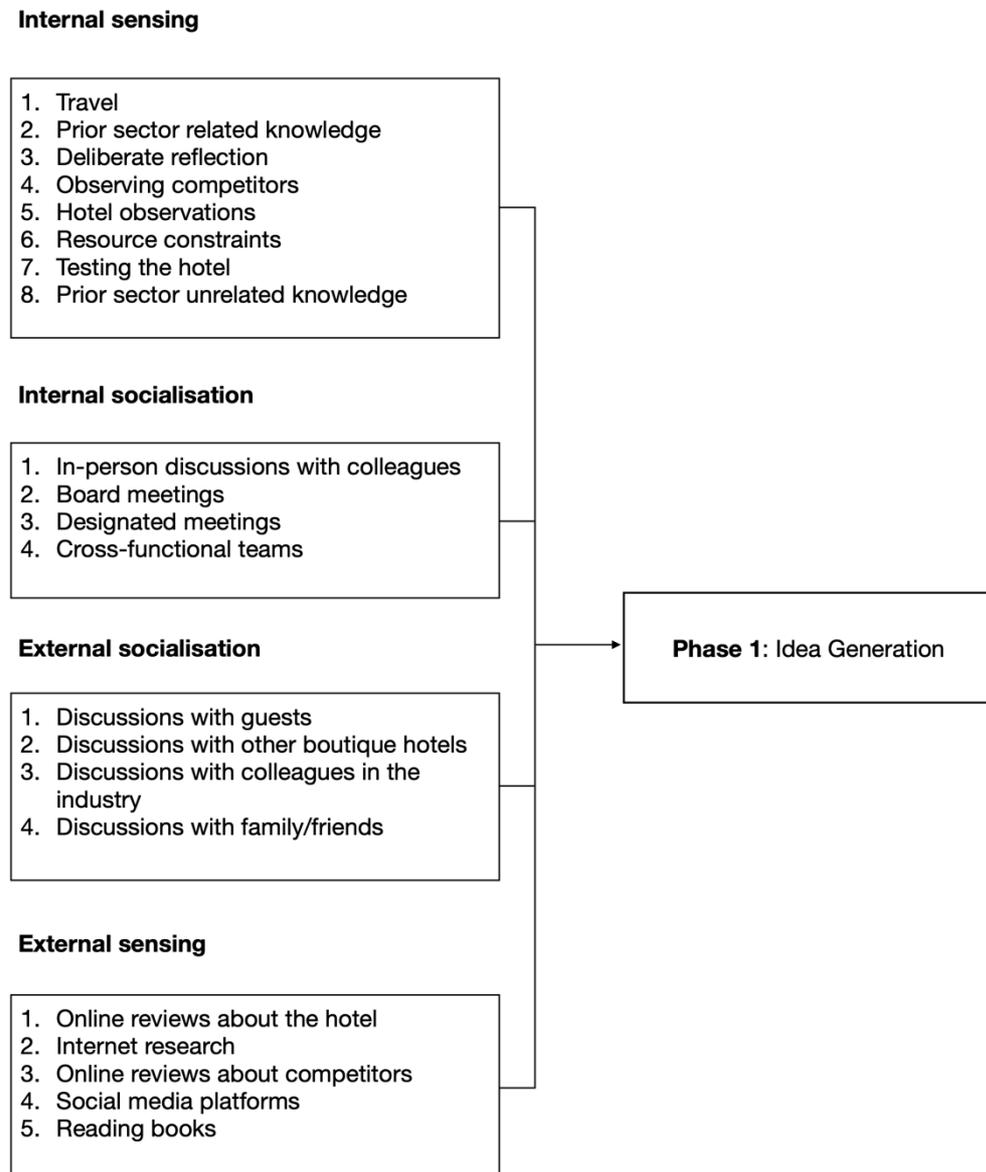
As illustrated in Figure 4.4 above, BHOs and BHMs described using 21 stimuli to identify

innovation opportunities. These stimuli are subdivided into four overarching categories,

these are internal sensing (n=8 stimuli), internal socialisation (n=4 stimuli), external socialization (n=4 stimuli), and external sensing (n=5 stimuli). A brief description of these categorizations is presented in Table 4.7 below.

Table 4.7 Idea Generation Categorizations

Idea Generation Categorization	Description of Categorization
Internal sensing	Internal sensing involves identifying innovation opportunities through experiential learning and it refers to the generation of ideas by way of tacit knowledge resources.
Internal socialisation	Internal socialisation is the process of identifying innovation opportunities through socialisation practices with intra-organizational personnel, with these practices stimulating idea generation through recombinations of tacit knowledge resources.
External socialisation	External socialisation is the process of identifying innovation opportunities through socialisation practices with inter-organizational personnel, with these practices stimulating idea generation through recombinations of tacit knowledge resources.
External sensing	External sensing is the process of identifying innovation opportunities through passive learning, i.e., acquiring knowledge through books, and active learning, i.e., competitor intelligence, and it generally occurs through explicit knowledge resources.

(Source: Author)

The following section discusses how each of the 21 stimuli illustrated in Figure 4.4 was used by BHOs and BHMs to identify innovation opportunities.

4.5.1.1 Internal Sensing

Internal sensing, which refers to idea generation through tacit knowledge resources and experiential learning, e.g., learning by doing, reflective observation, active experimentation, etc., occurred through eight different stimuli, these are travel, prior sector related knowledge, deliberate reflection, observing competitors, hotel observations, resource constraints, testing the hotel and the application of unrelated knowledge. Each of these stimuli is discussed in the following section.

Travel

Travel contributed towards idea generation in three different ways. First, according to three BHOs (n=3/9) and six BHMs (n=6/16), travel acted as a basis for copying and pasting ideas. Second, for three BHOs (n=3/9) and BHMs (n=3/16), travel acted as inspiration for the development of new ideas. Third, according to one BHO (n=1/9) and one BHM (n=1/16), travel acted as a source of learning, with accumulated knowledge used to improve the hotel's service provisions.

Starting with travel as a stimulus for copying and pasting ideas. Some BHMs (n=6/16) and BHOs (n=3/9) described how exposure to accommodation provisions abroad generally led to the imitation of ideas. For example, BHM12.1 stated that "I have adopted ideas that I got from a hotel in Austria, [and] a hotel in Rome, but that is something I would do out of my own will, because I am very passionate about it". Likewise, when speaking of travelling in London, BHO1.1 claimed that "I would choose like these small restaurants who do like brunch, a good breakfast, I would try different food, get some menus, get some ideas".

Similarly, BHM14.1 stated that, "I am always on the lookout for getting ideas from things I have experienced abroad, and it is not the first time that I see something that I like somewhere else and I try to implement it".

For three BHOs (n=3/9) and BHMs (n=3/16), travel and contextual differentiation, which referred to exposure to different aspects of the tourism value chain, were described to stimulate the development of novel thoughts. For example, BHO13.1 described how "if I travel I would sit there and I would observe. . . . And then I would notice, take photos, take notes of things that were remarkable like they stood out, the rest would be in my backburner". BHO7.1 claimed:

> if you think of innovation, it is mainly coming from travel, from what you've experienced. Maybe in [a] different context, it doesn't necessarily mean something [that] you've experienced in a different hotel, but maybe something you've seen in a restaurant or in an airport. (BHO7.1)

To these respondents, travel acted as a basis for inspiring ideas, with accumulated experiences in different contexts found to support these individuals establish a repertoire or catalogue of incubated ideas.

Last, only one BHO (n=1/9) and one BHM (n=1/16) described using travel as a basis for learning, with lessons learned applied by these respondents to enhance and improve their market offerings. BHO12.1, for example, stated, "travel inspires my ideas on the quality of the hotels, you know, and details. Like, when I go in these hotels, I learn what to do and what not to do". BHM9.1 stated, "obviously, traveling abroad will help you to see more things [developing ideas], and the more you travel the more you learn".

Prior sector related knowledge

According to some BHMs and BHOs, prior sector related knowledge stimulated idea generation in two different ways. First, for three BHOs (n=3/9) and ten BHMs (n=10/16), lessons learned, and ideas developed in previous contexts served as transferrable insights, leading to an ideation process defined by a copy and paste approach. Second, for two BHOs (n=2/9) and three BHMs (n=3/16), accumulated knowledge served as a guide to establish viable ideas.

Staring with the application of prior knowledge to establish imitated forms of innovation. Several BHOs (n=3/9) and BHMs (n=10/16) discussed how ideas used in previous context were easily transferrable. For example, BHM3.1 stated that:

> the experience makes the difference you know, because you take it everywhere you go, you take a little bit from all the experience. You try to take the best out of it and then implement it in your next project. (BHM3.1)

Likewise, BHO7.1 stated, "I put in place all the things that I had learned and developed throughout my career. . . . 80/90% [of innovation] is experience. 10% to 20% is things that I am learning". BHM11.1 stated that, "having worked in the industry, you kind of know what guests want and what they don't want and don't like". Similarly, BHM4.1 stated "before covid, once or twice a week we used to invite people on the terrace in summer or winter for a drink. . . . this is something [that] I had done with other guests in hotels".

Some BHOs (n=2/9) and BHMs (n=3/16) also described how prior knowledge was used to guide the development of new ideas. For example, BHO7.1 stated that, "with experience you

develop a kind of sixth sense in knowing 'ah yes, that will work, or that will not work'". Similarly, BHO13.1 stated that "experience is everything because it helps you develop something spot on rather than open something and developing something that is not quite there and keep experimenting. That comes at a cost".

Deliberate reflection

Several BHOs (n=5/9) and BHMs (n=5/16) also discussed how they generated ideas through deliberate reflection. This refers to the process of identifying innovation opportunities through purposeful observations.

For example, BHM1.1 stated that, "twice a week I spend around 30 minutes speaking to myself during the evening trying to understand what can I do to improve [the hotel], and what is the next step". Similarly, BHO7.1 stated that "you always have to question, you always have to think, 'is this the right thing to do? It was the right thing to do two years ago, is it still the right thing to do today?'". BHM11.1 provided a practical example that demonstrated how observations were used to reduce the uptake of plastic bottles in the hotel:

> the biggest change which I wanted was to remove plastic bottles, because, basically, before, when we first opened, every room had two plastic bottles of water, one per guest, and when they finished, we used to give them new ones. And I was seeing the rubbish full of plastic bottles, and I hated it, you know. Now, more and more, we have this environmental awareness. So, anyway, two years ago I managed to remove all the plastic bottles. (BHM11.1)

Observing competitors

Some BHMs (n=4/16) and BHOs (n=3/9) also described implementing practices to observe competitors. This was done for two purposes. First this strategy stimulated imitated forms of innovation. In other instances, it was used as a basis to benchmark the hotel's service provision against competitors. Insights derived from benchmarking were then used to improve the hotel's service provision.

When discussing benchmarking practices, BHM12.1 claimed that:

> we do competitive analysis, we study competition, both online, for example, the commercial team looks at daily snapshots of what others are doing, with fluctuations in rates and reviews. . . . so, in there [software], we handpicked eight hotels that we feel are our competition, but, more than that, we also put a hotel which is not really our competition, but the hotel that gets the highest reviews in Malta. So, we said 'let's have the best quality benchmark', and our competition is to try and always exceed them. (BHM12.1)

Likewise, BHM1.1 described observing competitors to better understand customer expectations and complaints and described using these insights as a basis to further improve the hotel's service provision. BHO7.1 claimed that, "it's a constant [assessing competitors]. . . . I even look at what they're selling, how they're selling. I look at their pricing".

On the other hand, BHM3.1 and BHM12.1 described how observing competitors generally led to mimicked forms of innovation, with BHM3.1 expressing that, "I also have a lot of friends working in the hospitality business, so I tend to go and visit them and steal an idea or two from them". Likewise, BHM12.1 remarked that "we do steal a lot of ideas [from other hotels], bits and pieces".

Hotel observations

A number of BHMs (n=3/16) and BHOs (n=3/9) also described generating ideas through hotel observations. For example, BHM2.1 stated that "we know that things are starting to get run down, so, you realize, like 'listen the runners are starting to have stains that cannot be removed, it is time to upgrade them'". Similarly, BHO14.1 stated, "when I am there [hotel] I spot things, I take notes and photos, and then I send an email to the GM [general manager] with a list of what I spotted and my ideas". Likewise, BHO13.1 asserted that "I would go to one of the hotels and I realize the music is so boring. . . . I would challenge the management, '*isma* [listen], what is this music?". Tying these perspectives together, BHM5.1 described how observations were used to develop ideas aimed at reducing hotel maintenance. In this case, this respondent asserted that "we clean the pool every day due to the stone as it flakes a lot. . . . So, if we change the colour [of the pool] to dark blue, instead of cleaning it every day, we clean it after two days" (BHM5.1).

Resource constraints

Several BHMs (n=6/16) and one BHO (n=1/9) also described how resource constraints acted as a stimulus for idea generation. For example, BHM2.1 stated that "you are short on facilities [in boutique hotels] and, whatever you come up with will make up for the lack of facilities". Likewise, BHO7.1 described how limited kitchen facilities catalysed the development of a novel solution for room service, with this respondent stating that, "if somebody says 'do you have room service? Yes' I give them the menus of the restaurants [in the area], the guest picks and chooses, I go, I order from there and deliver to their room".

BHM10.1 expressed that, "believe it or not, we have 0 budget for marketing, so everything I have done I have managed to barter with companies".

Testing the hotel

A number of BHMs (n=2/16) and BHOs (n=3/9) also discussed developing ideas through testing their hotels, with testing taking place through either encouraging staff to lodge in the boutique hotel for a night or two or by utilizing the services of a mystery guest.

For example, according to BHM2.2, the owner of BH2 had instructed staff "when the rooms are available come with your husbands, partners, friends, bring them, stay the night, experience the feel of a guest and get the feedback". Likewise, BHM12.1 stated that, "we asked all the heads of departments to spend a night in the boutique hotel and take the guests perspective. . . . I asked them to give me a report at the end of their stay with feedback". Similarly, BHO14.1 claimed that, "we gave a lot of complementary [stays] to staff and to friends. . . . we got people that we trust to give us proper feedback and ideas, and we took on those ideas".

Using a slightly different approach, BHO1.1 stated that the hotel, due to forming part of a larger network of certified luxury hotels, benefitted from being audited by a mystery guest. According to this respondent, "every year they send a mystery guest so that you keep up with the regulations, they give you a report which is this thick [expresses thickness with hand gesture] of what happened during their stay" (BHO1.1).

Prior sector unrelated knowledge

One BHM (n=1/16) and one BHO (n=1/9) also discussed utilizing prior knowledge gained in different sectors as a basis to generate ideas for the hotel. For example, BHM7.1 discussed how previously attended educational courses acted as a basis to identify avenues to further improve BH7's website, with this respondent having stated that, "I am working on the hotel website. The website is almost done, 99%. . . . that is actually something that I was doing in the schools [IT]". Likewise, BHO14.1 described how the group structure of the organization allowed the hotel to exploit specialized and divergent competencies, these capacities and skills where then used to penetrate the hotel sector, an area were the group had minimal prior experience.

4.5.1.2   Internal Socialization

Internal socialization, which refers to the identification of innovation opportunities through social interactions between intra-organizational personnel, a process embedded in tacit knowledge resources, occurred through four stimuli, these are discussions with colleagues, board meetings, designated meetings, and cross-functional teams. Each of these stimuli is discussed in the following section.

Discussions with colleagues

Some BHMs (n=13/16) and BHOs (n=5/9) described how informal discussions with intra-organizational colleagues often led to the development of new ideas. For example, BHM4.1 stated, "that is when the best ideas come out, not from the meeting, but from the informal chats because one thing leads to another. . . . he [hotel owner] is very approachable, he is open to new ideas". Similarly, BHM13.1 stated, "sometimes, an idea comes along from a conversation anyone can have, many times it is driven by the sales team, it could be something which pops up during conversation". Likewise, BHO11.1 provided an example of this by stating that, "my brother was on the rooftop at the new hotel. . . . we were talking and he is like '*illami* [oh wow], let's do another cocktail specific to that time, i.e., 4pm, and call it the canon drink". In addition, BHO7.1 asserted, "you know, if something is not working they [staff] will tell me it's not working and we will fix it together. We will find a solution together, if there is a solution to be found". Generally, internal socialization occurred between hotel owners and managers and between all colleagues in boutique hotels.

Designated meetings

According to a few BHOs (n=2/9) and BHMs (n=3/16), opportunities for innovation were also identified during designated meetings, with these meetings often established to purposefully stimulate idea generation processes or to solve problems.

For example, BHO8.1 claimed that:

> because everyone is working on different shifts we are never together, so I try and make sure either for a social occasion or a meeting we are all together every month or six weeks. And, one of the items on the agenda was the breakfast, I said 'is breakfast working well? Are we happy? Sort of, let's try and see what we can change or bring in that is new to elevate the menu or the experience for the guest?' and there is the team around you and then you just start to see the ideas flowing. (BHO8.1)

BHO13.1 stated that during "the monthly meeting I have with everybody. . . . I ask for new ideas, also new people that join, I give them a month to tell me what they think because they have a new pair of eyes". Similarly, BHM3.1 stated, "every Wednesday we meet [management team], we come up with the reports of the issues, of ideas, of things that need to be reacted to, [and] pending things". Bringing these perspectives together, BHM9.1 asserted, "we meet up every 1 to 2 months [staff]. . . . and if there is a problem, I just put the problem out and tell them [staff] '*isma* [listen], how would you solve this?'".

Cross-functional teams

Only BH12 made use of cross-functional teams, with these teams dedicated towards developing ideas. In BH12, four cross-functional teams were established and tasked with discussing branding, sustainability, revenue, and new projects. These cross-functional teams comprised different members of the management teams and BHO12.1.

When discussing these teams, BHO12.1 stated:

> we are trying to move towards an agile framework. . . . we have these agile squads [cross-functional teams], so what we do is we set targets, we do sprints, and we achieve, very efficiently, especially over the last 12 months, many of our goals. So, whether it is the main team where we do quality improvements or quality innovation, or it is sustainability, or it is food and beverage, or it is spa, for example, everything works in these squads [cross-functional teams]. (BHO12.1)

Elaborating on these cross-functional teams, BHM12.1 expressed that "we believe this [cross-functional teams] is a way for us to motivate them [staff], so if they throw an idea out there their voice is actually heard".

Board Meetings

In all group-owned boutique hotels (n=3/3 hotels), BHOs (n=3/3) and BHMs (n=3/3) discussed how boards of directors and board meetings often led to the development of new ideas. For example, BHO12.1 asserted, "I think when I have an idea, I would say I kick it around here [in the hotel] and at board level". Similarly, BHM14.1 stated that "ideas the directors or shareholders get from abroad, they see something, they take a photo, they send it to me, 'listen, we should do this, it is a good idea'. . . . We get ideas from everywhere". Building on this, BHM14.1 discussed how the structure of the company, with the hotel forming part of a joint venture, led to the development of ideas through a sub-committee, where representatives from both stakeholders were present. In this respect, BHM14.1 asserted that "we [sub-committee] have a focused meeting on the operation and we share ideas and we share some concerns".

4.5.1.3 External Socialization

External socialization, which refers to the identification of innovation opportunities through social interactions between inter-organizational personnel, occurred through four different stimuli, these are discussions with hotel guests, discussions with other boutique hotels, discussions with colleagues in the industry and discussions with family and friends. Each of these stimuli is discussed in the following section.

Discussions with Hotel Guests

Discussions with hotel guests contributed towards idea generation in two ways. First, according to some BHMs (n=14/16) and BHOs (n=6/9), guests often provided hotel personnel with in-person feedback regarding areas for improvement in the hotel. Second, according to two BHMs (n=2/16), guests commonly discussed their daily experiences with hotel personnel which, in some instances, led to the development of new service provisions or the identification of possible collaborations.

Starting with guests as a source of inspiration for ideas, several BHOs (n=6/9) and BHMs (n=14/16) discussed the importance of engaging in discussions with hotel guest to acquire feedback. For example, BHM8.1 stated, "it might be a guest who has been to a hotel a month before and they tell me like, 'I've been there and it was really nice, they were doing this', in this case I look it up". Likewise, BHO5.1 asserted that "we do actually ask for feedback, obviously we ask at check-out. . . . [and] some of the guests are willing to help you with some critiques, some others they do not bother". According to these respondents, hotel

guests were perceived to represent an invaluable source of feedback, with suggestions either

used for the development and implementation of an idea, or inspiration for new ideas.

For two BHMs (n=2/16), in certain instances, discussions with guests led to the identification

of potential collaborations and new service provisions. For example, BHM7.1 stated:

> they [guests] came [back from Gozo] and they were really, really happy, and they gave us the number [of a Gozitan taxi driver] and they said like 'you have to call this guy, he is amazing, and he can help you also with the guests'. . . . BHO7.1 took the number, he called him, and slowly we send the next guests, they came happy again, and like that we continue. (BHM7.1)

Likewise, BHM5.1 explained how discussions with guests led to new insights on 'must visit'

restaurants in the area, exciting tours, and activities.

When analysing the results of focus group data, 17 boutique hotel customers (n=17/25)

discussed how they provided the boutique hotels they lodged in with feedback. This

feedback was overwhelmingly positive, and it predominantly illustrated the satisfaction of

these respondents. For example, F1R2 stated, "I gave them positive feedback, like, I said, 'I

really enjoyed the service and the spa facilities, and I told them it is a great hotel, and like to

keep up the work' that kind of thing". F2R3 expressed that "when I went to the reception to

settle the bill, I told them how beautiful the room was and how comfortable it was".

Likewise, F3R5 stated "I had said 'amazing stay with the family, probably one of the best

hotels we stayed at recently, loved the welcoming feel entering the hotel, our room and the

view from the balcony, and everything'". Similarly, F2R5 expressed "I did mention in the

feedback that I was so impressed with it [boutique hotel], I said, 'it is so cosy and I

innovative'".

Only two of the 25 boutique hotel customers provided feedback that directly identified areas for improvement in the hotel's market offering. For example, F2R5 stated "I had commented about the chairs in the veranda, they were left outside, and it was raining, they could have covered them and put them inside, so they would not be wet when we go and smoke a cigarette". F3R3 stressed that:

> it was really good and everyone was great, my only negative comment was about this particular pool/bar attendant who was not really focusing on his job and all that, but I did tell them because they're selling a good experience, it is a beautiful hotel, you know. (F3R3)

These findings are noteworthy as the overemphasis boutique hotel customers (n=17/25) placed on their positive experiences did not provide a significant basis for BHMs and BHOs to identify opportunities for innovation. Moreover, these results are counter to the experiences of BHMs (n=14/16) and BHOs (n=6/9), who claimed to use feedback as a stimulus for ideation. One reason for these results could be the fact that most respondents (n=15/25) were satisfied with the services offered by boutique hotels. For example, F2R3 stated that "the service was impeccable". F2R5 stressed that "the ambience and the services were tailored, like getting to know the person by name. That is not normal with hotels, especially with big hotels, so that personal touch is something special to boutique hotels". Likewise, F4R4 claimed that "it was super comfortable, the staff really make sure that you feel at home, there was nothing amiss". Another reason that can explain the overwhelmingly positive feedback provided by boutique hotel customers (n=17/25) is the fact most of these respondents (n=18/25) were domestic tourists, therefore, they may have had pre-existing positive perceptions or cultural biases that influenced their reviews.

Discussions with other boutique hotels

A number of BHMs (n=8/16) and BHOs (n=5/9) also described how informal discussions with personnel in other boutique hotels sometimes led to the identification and development of new ideas.

As previously discussed, according to four BHMs (n=4/16) and four BHOs (n=4/9) from five independently owned and one chain-owned boutique hotel, through agglomeration and mutual interests, a tightly knit cluster was established between a handful of market players in Valletta, Malta, to discuss ideas, share resources, and identify innovation opportunities. For example, BHO8.1 stated, "we are open, and we share information [with some boutique hotels]. . . . I would go and say 'listen, how are you handling breakfasts? How are you handling beverages?' and they would tell me what they're doing". BHO7.1 provided a practical example of how hotels in this cluster share knowledge, resources, and ideas:

> I spoke to a friend of mine who runs a boutique hotel in Valletta and I told him 'look, can you do me a favour?', this was March of 2019. It was quiet, and I said, 'would you set up breakfast for me for a group of people, for four or five days, breakfast in my place? But you do it all and I just pay you the bill?'. . . . 'Okay' [he said]. He came, we set the place up, we did the breakfast service, and it ran really well. So, then, I told him 'look, you did this so well, would you like to keep on doing it?' He said 'I can tell you yes, but then I'll end up by disappointing you'. . . . 'the minute I get busy I will forget about you, and I'll focus on my business. But, look how easy it is if you want to carry it on yourself', and that's what I did. (BHO7.1)

While this cluster of boutique hotels accounts for a small proportion of the boutique hotels in Valletta, a number of BHOs (n=4/9) and BHMs (n=8/16) also spoke of loosely linked ties with other boutique hotels. In these more informal networks, respondents spoke of discussing ideas with each other. For example, BHM12.1 stated that, "I know a couple of

owners of other boutique hotels. . . . sometimes we talk shop, 'okay, I spent so much on this, is it really so much?'. Then I might use that knowledge to take a decision". Likewise, BHM14.1 stated "some of them [boutique hotels in Valletta] have been to our hotel for show rounds, I have seen their hotels, you know, it is this kind of the relationship. We help each other out".

When analysing the results of interviews with stakeholders, some of these respondents (n=4/10) substantiated the perspectives set forth by BHMs and BHOs. For example, S4 expressed that, "so, yes, the dynamics between the hotels in Valletta are informal, like, myself, I am part of a group chat between five hotels, which we've created. We used to meet on a regular basis". According to S6, since boutique hotels in Valletta are members of the Malta Hotels and Restaurants Association (MHRA), they are probably collaborating. This respondent explained that "the MHRA would probably cover the bulk of let's call them boutique hotels and other hotels in Valletta, and also restaurants, of course. So, technically they are on the same platform". According to S7, due to the competitive nature of this sector, "they're all quite competitive. I think knowledge sharing would probably happen amongst the hotels which own more than one hotel".

Alternatively, other stakeholders (n=2/10) discussed the limited extent of knowledge sharing practices and collaborations between boutique hotels in Valletta, Malta. For example, S2 explained that:

> It is not like the [knowledge] sharing that happens between the 5-star hotels, where we conduct surveys, benchmarking, and barometers in this sector. A lot of the people from smaller hotels, you know, the ones who are stand alone, there is a general apprehension. So, unfortunately, the [knowledge] sharing is a bit of moaning or meeting in the street. (S2)

S10 claimed that:

> At this moment, I do not think that we are customer centric enough, you know? I think somebody just decides 'I know what the customer wants'. Sharing information would make us more customer-centric rather than being individual and thinking, 'oh, I know what the customer wants'. (S10)

The implications of these findings are two-fold. First, these results corroborate the views expressed by BHMs (n=4/16) and BHOs (n=4/9), who discussed the presence of collaborative ties within the sector. Second, although numerous BHMs (n=8/16) and BHOs (n=5/9) recognized discussions with peers in other boutique hotels to constitute a catalyst of idea generation, the level of knowledge sharing within this sector remains suboptimal. These interactions seem to be in a nascent stage, and based on the views of stakeholders, considerable efforts are required to foster an environment of open and transparent communication.

Discussions with colleagues in the industry

Some BHMs (n=7/16) and BHOs (n=4/9) also discussed using sector-wide networks to identify innovation opportunities and acquire feedback on ideas. For example, BHO7.1 stated:

> last autumn, we had requests for pet friendly rooms. . . . one of my ex-bosses used to be the CEO of X [competing local hotel]. . . . In the context of pets, he made that hotel pet friendly. So, I spoke to him and I asked him what his experience is of hosting guests with pets. He was very positive. (BHO7.1)

Likewise, BHO14.1 explained that "I have a friend of mine who used to run hotels here [Malta] but he is now running hotels in the UK, so I got him over [to the hotel] for lunch,

showed him some numbers, and got some ideas from him". Similarly, BHM3.1 stated "he [previous boss] was helping me a lot with ideas and suppliers when I came here [current hotel]". Tying these perspectives together, BHM13.1 asserted that "it depends on the idea. If it is within the industry, again, there is an element of how much information you can share, but, I do speak to other hoteliers about certain aspects, or travel agencies".

Discussions with family and friends

A number of BHMs (n=3/16) and BHOs (n=3/9) also described how family and friends often stimulated idea generation, while they were also perceived to act as an invaluable source of feedback on potential ideas.

For example, BHM8.1 stated, "I share with them [family and friends] and the fact that they see it from a different angle it gives me a different point of view. . . . this is what inspires me". Likewise, BHO12.1 stated, "I am very lucky because my partner is also a consultant, not here in Malta, in X [foreign country], so we exchange a lot of books, and ideas, you know, and stuff like that". Similarly, BHM3.1 described how "I had a friend who went to a hotel and there was a small business card with scan this code and leave us a review. This is one of the things that we would like to do".

4.5.1.4 External Sensing

External sensing, which refers to the identification of innovation opportunities through passive and active forms of learning *via* the purposeful analysis of explicit knowledge resources, occurred through five different stimuli, these are online reviews about the hotel, internet research, social media platforms, books, and competitor reviews. Each of these stimuli is discussed in the following section.

Online review about the hotel

According to some BHOs (n=6/9) and BHMs (n=12/16), online customer reviews stimulated idea generation by acting as a basis to identify problems, areas for improvement, and potential ideas.

For example, BHM6.1 stated that "certain reviews point out maybe, things that can be added in the rooms, certain things that can be adjusted, and after this, if we see that it is really needed, we adjust based on the comments and the review". BHO6.1 explained that "I think they [reviews] encourage an idea". BHO14.1 asserted that "the first bad reviews were to do with the sound, so immediately a few of us went to sleep there in these rooms, and acknowledged that there is an issue, so we solved it". Bringing these perspectives together BHO13.1 claimed that:

> I would say we take it [customer reviews] on 100% if there is a suggestion, because. . . . if you only do what your customer is telling you, you're king because he is telling you exactly what ticks his buttons. . . . So, I would say 70% of our innovation comes from suggestions from our clients, and we are very committed to each and every comment that is left. (BHO13.1)

Internet research

Some BHMs (n=5/16) and BHOs (n=3/9) also discussed how the internet was used to identify the latest trends in the industry, new ideas, and areas for improvement.

For example, BHM1.1 stated that "I do research. . . . because, nowadays you have access to so much information on the internet that it is amazing. You can understand trends, you can understand the opinion of people". Similarly, BHM14.1 claimed, "I like to read a lot, I read a lot of blogs, and I try to keep up to date with the latest trends", and BHO7.1 discussed how "you look on the Internet to see what globally is available, and you look at what other hotels are doing".

Competitor reviews

A few BHMs (n=2/16) and one BHO (n=1/9) also discussed generating ideas through reading competitor reviews. In this respect, BHO7.1 stated that "I open booking.com, go into reviews and read reviews. That's where you get the most information. . . . and that is probably the most important thing to do because that's where you realize what people are looking for". Likewise, BHM1.1 claimed, "that [reading competitor reviews] is something that you have to do because you understand why people complain", and BHM9.2 stated that "yes [reading reviews of other hotels]. And even I compare the number of English tourists that came here, the number that went to hotel B, so you keep monitoring".

Social media platforms

Four BHMs (n=4/16) and two BHOs (n=2/9) also discussed using social media platforms as a basis to generate ideas. For example, BHM2.2 stated that "well, sometimes you go through the social media, I mean, I am on TikTok, and Instagram, and sometimes you see something and you're like 'oh, okay, this is a good idea to try for breakfast'". Likewise, BHO11.1 asserted that "I do a lot of research on Instagram and Pinterest, you know? *Jien naf* [I don't know], luxury bathrooms, for example, and you try look things up. Nowadays it is much easier to get ideas". Similarly, BHM6.1 stated that "well, with the socials, so Instagram, Pinterest, Facebook, here [Malta] there is a good balance I think between Facebook and Instagram. . . . So, you can pick some ideas from both channels".

Reading books and magazines

Only one boutique hotel manager (n=1/16) and two owners (n=2/9) discussed using books and magazines as a source of inspiration to generate ideas. For example, BHO12.1 stated that "reading inspires my ideas. . . . the other book, one of the case studies is Disney, and that is what inspired me with this guest recognition and RFID that we are looking into". Similarly, BHM13.1 stated that "sometimes, you know, whether it is reading a journal or an article, sometimes there is a sentence in an article and you kind of develop an idea from that". BHO8.1 claimed "I try to find magazines that are not necessarily about hotels, but they are just about trends, social trends, tech trends, and these sort of things. So, I really enjoy doing that and they tend to spark off ideas".

4.5.1.4.1 Core Stimuli used in the Idea Generation Process by Respondent Role

When exploring which stimuli (n=21 stimuli) were most frequently discussed by BHOs and BHMs, Figure 4.5 below illustrates that the majority of these respondents relied on six key stimuli, these are:

1. Discussions with hotel guests (n=20 BHOs and BHMs).

2. Discussions with intra-organizational colleagues (n=18 BHOs and BHMs).

3. Online reviews about the hotel (n=18 BHOs and BHMs).

4. Travel (n=17 BHOs and BHMs).

5. Prior sector related knowledge (n=15 BHOs and BHMs).

6. Discussions with other boutique hotels (n=13 BHOs and BHMs).

Figure 4.5 Stimuli used by BHOs and BHMs in the Idea Generation Process

Stimuli used in the Idea Generation Process

Stimuli	Respondent Count
Prior sector unrelated knowledge	2
Cross-functional teams	2
Reading books	3
Online reviews about competitors	3
Testing the hotel	5
Designated meetings	5
Social media platforms	6
Hotel observations	6
Discussions with family & friends	6
Board meetings	6
Resource constraints	7
Observing competitors	7
Internet research	8
Deliberate reflection	10
Discussions with colleagues in the industry	11
Discussions with other boutique hotels	13
Prior sector related knowledge	15
Travel	17
Online reviews about the hotel	18
In-person discussions with colleagues	18
Discussions with guests	20

Respondent Count (n=25 respondents)

(Source: Author)

When contrasting these stimuli (n=21 stimuli) by respondent roles, i.e., BHOs *versus* BHMs, certain similarities and differences may be noted. Starting with similarities, both BHOs and BHMs seemed to place an equal amount of emphasis on generating ideas through:

1. Discussions with guests (n=14/16 BHMs; n=6/9 BHOs).

2. Online reviews about the hotel (n=12/16 BHMs; n=6/9 BHOs).

3. Discussions with colleagues in the industry (n=7/16 BHMs; 4/9 BHOs).

On the other hand, in comparison to BHOs, BHMs seemed to depend more extensively on:

1. Discussions with intra-organizational colleagues (n=13/16 BHMs).

2. Prior sector related knowledge (n=12/16 BHMs).

3. Resource constraints (n=6/16 BHMs).

Alternatively, BHOs seemed to predominantly rely on:

1. Travel (n=7/9 BHOs).

2. Internet research (n=5/9 BHOs).

3. Board meetings (n=3/9 BHOs).

4. Testing the hotel (n=3/9 BHOs).

5. Deliberate reflection (n=3/9 BHOs).

These results illustrate that although 21 ideation stimuli were discussed by BHOs and BHMs, these respondents seemed to depend on distinct and varying sources of inspiration to generate ideas. In this respect, it is evident that BHMs frequently depend on intra-

organizational stimuli to generate ideas, e.g., discussions with intra-organizational colleagues, resource constraints and prior knowledge. This suggests that, to some extent, BHMs are better equipped to generate ideas by leveraging and exploiting their situated context as a source of inspiration. On the other hand, BHOs seemed to rely more extensively on extrinsic stimuli to generate ideas, e.g., internet research and travel. This suggests that the ideation process of BHOs tends to necessitate engagement in different and varied contexts to stimulate ideation.

When considering the impact of ownership structure on ideation stimuli, a few divergences were noted. Specifically, respondents from independently owned (n=16/16 respondents) and multi-sector group-owned boutique hotels (n=6/6 respondents) described using a substantial number of stimuli to catalyse ideation. BHOs (n=5) and BHMs (n=11) from independently owned boutique hotels described using 19 stimuli during this process, while BHMs (n=3) and BHOs (n=3) from multi-sector group-owned boutique hotels discussed using 18 respective stimuli to ideate. On the other hand, respondents from chain-owned boutique hotels (n=3/3 respondents) only described using 10 stimuli to generate ideas. In part, these discrepancies may be the result of the limited number of respondents from chain-owned boutique hotels.

In addition, this research also revealed that in both independently owned and chain-owned boutique hotels, the most frequently described ideation stimulus by BHOs and BHMs was discussions with guests. On the other hand, in multi-sector group-owned boutique hotels, the most frequently described stimuli were board meetings and discussions with colleagues in the industry.

Based this analysis, certain ideation stimuli may be considered homogeneous, i.e., key in all boutique hotels, these are discussions with guests, online reviews about the hotel, prior industry knowledge, and discussions with intra-organizational colleagues.

Unlike these commonalities, however, respondents from chain-owned boutique hotels seemed to rely on resource constrains and social media platforms to generate ideas. The use of resource constraints as an ideation stimulus in chain-owned hotels is particularly notable, especially when considering that independently owned boutique hotels tend to contend with more pronounced resource limitations. This discrepancy may be attributed to the fact that resources in these enterprises are often stretched across numerous hotels, leading to larger operational and maintenance costs. Furthermore, compared to multi-sector group-owned hotels, these organizations tend to be smaller and comprise less specialized competencies. This highlights the distinct challenges respondents from chain-owned boutique hotels encounter and it also illustrates how these respondents transform limitations into opportunities for ideation. On the other hand, in multi-sector group-owned boutique hotels, board meetings, deliberate reflection, and discussions with colleagues in the industry represented key catalysts of ideation. In these hotels, ideation generally occurred *via* dissimilar/varied knowledge bases, with respondents from these hotels found to rely on sources of inspiration rooted in both knowledge breath and diversity. In contrast, BHOs and BHMs from independently owned and chain-owned boutique hotels seemed to depend on similar knowledge, i.e., knowledge depth, to generate ideas.

4.5.2 Phase 2: Market Research

Following phase 1, i.e., idea generation, a number of BHMs (n=8/16) and BHOs (n=4/9) discussed conducting market research to assess the variety of products/services available on the market to bring a potential idea to fruition and to explore the benefits, drawbacks and viability of an idea.

For example, BHM4.1 asserted that "the other day, we got an idea, for example, we thought about changing toiletries, so then you start researching and you start finding what people are using, you know, they use dispense, they use organic". Likewise, BHO13.1 claimed that "for everything that I need I am asking him [employee] to do research, market research for me. So, like this, I can formalize my ideas backed up with proper market research, not only my gut feeling". Similarly, BHM12.1 stated "it is [research] an important part of how we take decisions. . . . I was doing 12 hours [of work] here, and then I go home and do another 5 to 6 hours of research". Bringing these perspectives together, BHO12.1 asserted:

> First, I think about it a lot [an idea], and I try to put it down in some way, even if I draw it, you know. . . . Very often, I ask for a financial analysis, that is very much me, so I will see the capital investment, I will see the return on investment, and I will see the running costs. (BHO12.1)

When analysing phase 2 by respondent role and ownership structure, it is interesting to note that although more BHMs described implementing practices to conduct market research, all respondents from group-owned boutique hotels, being both BHMs (n=3/3) and BHOs (n=3/3), described implementing this process. Alternatively, only four BHMs (n=4/11) and one BHO (n=1/5) from five independently owned boutique hotels (n=5/9 hotels) discussed conducing market research, while only one BHM (n=1/2) from a chain-owned boutique hotel

described implementing this process. Thus, when considering ownership structure, market research was most predominantly prioritized in multi-sector group-owned boutique hotels, where all respondents placed emphasis on the value of gauging the viability of an idea prior to its implementation.

Following market research, several BHMs and BHOs described implementing practices to discuss ideas with intra-organizational personnel, leading to phase 3, i.e., knowledge creation.

4.5.3 Phase 3: Intra-Organizational Knowledge Creation

Knowledge creation marks the point at which an idea is externalized, i.e., communicated, through discussions with intra-organizational personnel. This process was found to occur through five different routes in boutique hotels.

First, a number of BHMs (n=5/16) described communicating their ideas directly to BHOs. For instance, BHM8.1 stated that "if it is an operational idea that makes our job easier or the guest's experience better, I just tell BHO8.1. . . . if it involves an investment obviously, I have to pass it on [to the owner]". Likewise, BHM7.1 stated that "usually I discuss the idea with BHO7.1, because, he is, let's say, his opinion is something that is going to make or break". Bringing these perspectives together, BHM5.1 stated that "so, usually, we discuss [ideas] with BHO5.1. So, let's say the receptionist has an idea, she speaks with BHO5.1, and BHO5.1 will take the decision to change things or not".

Second, a few BHOs (n=3/9) and BHMs (n=3/16) also described how hotel owners sometimes communicated their ideas directly to hotel managers. For example, BHO11.1 stated that "then we call BHM11.1 and we explain the idea to BHM11.1, and we get his feedback and try it [the idea] out". Likewise, BHO8.1 stated that "there are scenarios where an idea comes. . . . and I call BHM8.1 and ask for feedback, then we take it from there, if it is something that doesn't make sense based on the feedback, we drop it". Similarly, BHO14.1 asserted that, following ideation "I send an email to the BHM14.1 with a list of what I spotted and my ideas, and then he comes back, we have a discussion and that's the way it works".

Third, a number of BHOs (n=1/9) and BHMs (n=6/16) also described communicating their ideas with all personnel comprising the boutique hotel. For example, BHO7.1 stated that "then I speak to all my staff and see what they think. Why? Because they would have had different discussions with different guests and perceived whether the guest will be positive or not towards it [an idea]". Likewise, BHM2.2 stated that "most of the time, I think it is like me and BHM2.1, we try to get together the idea, and then we say 'okay, let's see what the others [colleagues] think'". Tying these perspectives together, BHM8.1 asserted that "I tell them [colleagues] look 'I was thinking of doing this', so if then I speak to them [colleagues] and they tell me 'emm, okay, meh', then maybe I will review the idea".

Fourth, a number of BHMs (n=1/16) and BHOs (n=5/9) also spoke of communicating their ideas during formal meetings. For example, BHM10.1 stated that "when we decide on something [an idea] that we are going to do, something new, for example, myself, the hotel manager, the finance guy and the owner, we discuss it, [and] we go through it". Likewise, BHO11.1 claimed that "we have to decide, so we sit down and we say 'listen, these are the

three options, do you like them? Which do you like?' and we decide. It is quite easy actually". Similarly, BHM9.1 stated that, "normally, I prefer meeting when I am discussing, especially new ideas, it is more something that we meet and discuss personally".

Last, all BHMs (n=3/3) and BHOs (n=3/3) from multi-sector group-owned hotels described communicating ideas during board meetings. For example, BHO14.1 stated:

> basically we have a board meeting monthly, so we go through monthly management accounts and we have an agenda, so basically, we start off with any pending items on the works, refurbishments, systems, policies, IT, HR. We go through them all. We look at the financial results, and we always keep an agenda item for ideas. (BHO14.1)

Similarly, BHO12.1 stated that "I would have discussed it [an idea] with, rather than the team here [hotel], also at board level, which is in a way external, because they're not really involved in the day-to-day things".

When analysing knowledge creation activities by ownership structure, certain differences are prevalent. First, multi-sector group-owned boutique hotels were the only type of hotel to comprise institutional structures for creating knowledge, with knowledge developed *via* board meetings. Alternatively, in independently owned boutique hotels, knowledge creation followed four different paths, with only managers (n=4/11) from these hotels revealed to engage in knowledge creation activities with hotel owners. In chain-owned boutique hotels, BHMs (n=2/2) indicated that knowledge creation predominantly occurred through formal meetings, while BHOs (n=1/1 BHO) described meetings and discussions with BHMs as the basis of knowledge creation.

These results indicate that in larger organizational structures, including multi-sector group-owned and chain-owned boutique hotels, knowledge creation practices seem to occur in a relatively systematic manner. On the other hand, in independently owned hotels, multiple paths seem to be pursued to create knowledge and communicate ideas.

4.5.4 Phase 4: Testing Ideas

Once ideas were communicated to intra-organizational personnel, four BHMs (n=4/16) and one BHO (n=1/9) described implementing practices to test an idea prior to its full implementation. For example, BHM12.1 asserted, "we usually come up with an idea, roll it out, introduce it, experiment to an extent with it, with our customer, gauge their feedback, and improve it on the go". Likewise, BHO12.1 described using the boutique hotel as a testing bed for ideas, with this respondent having asserted that "I have to tell you that I implement them [innovations] first in the boutique hotel with the aim of doing them in the bigger hotel". BHM13.1 stated that "I am getting all the information, as in, I want to do the experience myself [before implementing it], so then myself and someone from marketing we will go and try it".

When analysing phase 4 by ownership structure, the results of the analysis reveal that this process was predominantly implemented in multi-sector group owned boutique hotels, where two BHMs (n=2/3) and one BHO (n=1/3) described practices aimed at exploring the viability of an idea. Alternatively, only one independently owned boutique hotel (BH2) seemed to comprise practices for testing ideas. This process was not mentioned by any respondents from chain-owned boutique hotels.

4.5.5 Phase 5: Decision-Making

Once ideas were communicated to intra-organizational personnel and, in some instances, tested, BHMs and BHOs described three decision-making practices, these are owners as ultimate decision-makers, decision-making autonomy at the discretion of managers, and decision-making consensus at the board level.

Starting with BHOs as ultimate decision makers, nine BHMs (n=9/16) and four BHOs (n=4/9), predominantly from independently owned boutique hotels (n=8/9), described how owners generally took the final decision regarding the implementation of an idea. For example, BHO8.1 stated:

> there are instances where I have an idea, I have discussed it with BHM8.1, she might still look at it in a different way, and then I have decided, you know what, I still think this is right and then I will implement it. (BHO8.1)

BHM5.1 stated "BHO5.1, he will take the decision to change things or not". Similarly, BHM6.1 stated that "it is up to him [owner] the final decision of everything. . . . he always takes the final and last decision". Tying these perspectives together, BHO6.1 stated, "BHM6.1 does come up with suggestions, yes, but I would say then that it is up to my husband [owner] to decide whether he would like to go ahead with it or not".

In several boutique hotels, BHMs (n=7/16) and BHOs (n=2/9) also described implementing ideas based on the manager's discretion and on the financial investment required to implement an idea, with inexpensive ideas often subject solely to the manager's judgement. For example, BHM14.1 claimed, "it depends on the financial commitment that this idea has.

If it is something that is in my authority and I can just approve it, I just go ahead, I don't think about it". Likewise, BHO12.1 stated, "in fact, I tell them, you know, 'just implement the ideas you believe in', I do not necessarily have to participate in taking that decision". Tying these perspectives together, BHM4.1 asserted "minor changes, I just change, if it is something major [change] I would need to discuss it with the owner".

Last, in all multi-sector group-owned boutique hotels, when ideas required significant financial investment, BHMs (n=3/3) and BHOs (n=3/3) discussed how these ideas were generally subject to the approval of the board of directors. For example, BHM13.1 asserted:

> then it is discussed at board level [idea], we have monthly meetings. We present the ideas, we present the ideas from a sales and marketing point of view, we present the feasibility of the idea. We have very open discussions, [and] there are instances where it is a straight 'yes', there are instances where it is kind of, 'can you try to modify it this way', and there are instances where it is shelved. (BHM13.1)

Likewise, BHM14.1 claimed, "if it [an idea] is something large, then we discuss it in the committee, and then from the committee a decision is either taken, or it is referred to the board".

When considering the impact of ownership structure on phase 5, the results of the analysis illustrate that often, in independently owned boutique hotels, decisions regarding an innovation were taken by boutique hotel owners, with this process implemented in eight independently owned boutique hotels. In one chain-owned boutique hotel and in all three multi-sector group-owned boutique hotels, generally, decisions regarding an innovation were either subject to the discretion of managers or, in the case of multi-sector group-owned boutique hotels, subject to the approval of the board of directors. However, the decision-

making route taken often depended on the financial investment required for an innovation, with capital intensive ideas generally requiring the approval of the members of the boards of directors and owners.

4.5.6 Phase 6: Knowledge Assembly

Once a decision was made on the status of an idea, BHMs (n=3/3) and BHOs (n=3/3) from multi-sector group-owned boutique hotels (n=3/3 hotels) discussed implementing practices to assemble the knowledge resources and capacities necessitated to implement the innovation. These processes involved, for example, identifying knowledge gaps in the hotel's workforce, providing training to ensure that staff are familiar with the innovation and, in other instances, recruiting staff according to the innovation's requirements. For example, BHM13.1 stated "so, in-house there are situations where we are organizing the training ourselves, and then there are situations where managers are sent to private institutions for training, or we bring in tutors to train our own team". Likewise, BHM12.1 claimed, "we have obviously an HR manager, who is the go-to person for designing the training budget and also the training needs that we need".

Phase 6 was only described by BHOs (n=3/3) and BHOs (n=3/3) from multi-sector group-owned boutique hotels (n=3/3 hotels), where the larger structures of these organizations provided the competencies necessitate to augment the knowledge bases of employees according to the specific requirements of an innovation.

4.5.7 Phase 7: Innovation

Once a decision was taken on the status of an idea, and the knowledge resources required for the respective innovation/s were assembled, knowledge was transformed into innovation by way of operationalizing or implementing ideas, resulting in innovation outcomes. This phase was described by all the BHOs (n=9/9) and BHMs (n=16/16) in this study. It is relevant to note that after innovations were implemented in the respective boutique hotels, they were mainstreamed and normalized, becoming part of the boutique hotel's standard practices.

4.5.8 Phase 8: Knowledge Sharing

Once innovations were implemented in boutique hotels, several BHMs and BHOs described communicating knowledge about the implemented innovations to hotel staff *via* seven different media, these are emails, handover manuals, in-person discussions, notices, updated protocols, communication software, and through chats on social media platforms. During this phase, a number of BHMs (n=9/16) and BHOs (n=3/9) described using a combination of different media to disseminate knowledge concerning innovations Certain media, however, were used more than others in boutique hotels, these are in-person knowledge sharing practices, which was described by eight BHMs (n=8/16) and one BHO (n=1/9), emails, which were mentioned by four BHMs (n=4/16) and two BHOs (n=2/9), and social media platforms, which were mentioned to by four BHMs (n=4/16) and two BHOs (n=2/9).

It is interesting to note that although email and social media platforms were most predominantly used in independently owned boutique hotels, chain-owned boutique hotels seemed to rely on in-person knowledge sharing and emails. On the other hand, multi-sector group-owned boutique hotels often disseminated knowledge through both in-person discussions and designated communication software.

4.5.9 Phase 9: Feedback Post-Innovation

Following Phase 8, some BHMs (n=4/16) and BHOs (n=1/9) discussed collecting feedback from hotel guests and staff to assess the performance of implemented innovations.

For example, BHM5.1 stated, "so, let's say there is a change, then after the change we ask them [colleagues] 'how is it going after the change' and they give you feedback". Similarly, BHM8.1, who implemented an app in the boutique hotel, described how guests were specifically asked for feedback concerning the app, with BHM8.1 stating, "I had asked [guests] a few times 'how did you find it? Was it useful? Did you use it at all?'". Similarly, BHM12.1 claimed that "we do the necessary tweaks until we are happy with whatever service or product it may be, or idea".

When assessing phase 9 by ownership structure, the results of the analysis revealed that collecting feedback on the performance of an innovation following its implementation was only implemented in one group-owned boutique hotel and three independently owned boutique hotels. No respondents from chain-owned boutique hotels discussed this process.

4.5.10 Summary

Based on the discussions presented in the previous section, several conclusions about the micro-foundation processes used in boutique hotels to transform knowledge resources into innovation outcomes may be inferred.

First, in total, BHMs and BHOs described implementing nine distinct steps to convert knowledge resources into productive outputs, i.e., innovations. These steps are idea generation, market research, intra-organizational knowledge creation, testing ideas, decision-making, knowledge assembly, implementation, knowledge sharing and feedback post-innovation. In each of these nine steps, BHMs and BHOs described how they engaged in different practices to transform knowledge resources into novel outputs, with knowledge identified to constitute an integral resource required for innovation activities in boutique hotels.

Although innovation processes in boutique hotels constituted a 9-phase process, each process comprised multiple unique micro-level activities/practices. For example, idea generation occurred through 21 stimuli, knowledge creation transpired through 5 different routes and knowledge sharing ensued through a combination of different paths. Therefore, these results illustrate that while one model can capture homogeneous/overarching elements in the innovation process, the innovation process in boutique hotels aligns to the principles of equifinality. This means that numerous paths and micro-level actions may be implemented by personnel in boutique hotels to transform knowledge resources into innovation outcomes. Therefore, as BHO8.1 asserted "there is no one size [fits all] process, it very often depends on the timing, the nature of the idea and all that". Due to the uniqueness

of these micro-level actions, most especially the actions implemented in phases 1 to 3, which were predominantly dependent on the individual-level efforts and actions of personnel, several BHMs (n=10/16) and BHOs (n=6/9) described how innovation processes tend to be informal, i.e., unstructured, as opposed to 'formal', i.e., structured.

For example, BHM5.1 asserted, "sometimes you cannot plan these things [innovation] because there are ideas which come into your mind when you're working on your shift". Likewise, BHM1.1 claimed, "no, it just happens [innovation]. In my life there is nothing structured at all", and BHO6.1 explained that "it [innovation] is very informal. Like, you suddenly think about something and you're like 'let's try it'". BHM9.1 referred to the innovation process as "spontaneous", and BHO7.1 asserted that "most of the ideas come up sporadically. You don't necessarily need to stay thinking. . . . 'how am I going to make this place innovative?'".

Through these results, five inferences may be drawn. First, catalysing the innovation process, specifically, the ideation phase, is personal, with the identification of innovation opportunities and the development of novel ideas contingent on an individual's motivation and desire to engage in creative practices. Second, this finding implies that in boutique hotels innovation is contingent on an individual's willingness and motivation to share ideas, which typically occurs in phase 3. Third, innovation processes tend to rely on transformations to knowledge resources and often, collaborative practices. Fourth, although innovation in boutique hotels comprises a 9-phases process, the micro-level actions used in each phase are heterogeneous, implying that numerous different actions can be implemented to execute each of the 9-phases. Last, ownership structures were found to exert an influence on the

number of micro-foundation processes implemented in boutique hotels to attain innovation outcomes.

Figure 4.6 Innovation Process by Ownership Structure

Innovation Process: Independently Owned Boutique Hotels

- **Process 1:** Idea Generation
- **Process 2:** Market Research
- **Process 3:** Intra-organizational knowledge creation
- **Process 4:** Testing Ideas
- **Process 5:** Decision-Making
- **Process 6:** Implementation
- **Process 7:** Knowledge Sharing
- **Process 8:** Feedback Post-Innovation
- Refinement

Innovation Process: Chain-Owned Boutique Hotels

- **Process 1:** Idea Generation
- **Process 2:** Market Research
- **Process 3:** Intra-organizational knowledge creation
- **Process 4:** Decision-Making
- **Process 5:** Implementation
- **Process 6:** Knowledge Sharing

Innovation Process: Multi-Sector Group-Owned Boutique Hotels

- **Process 1:** Idea Generation
- **Process 2:** Market Research
- **Process 3:** Intra-organizational knowledge creation
- **Process 4:** Testing Ideas
- **Process 5:** Decision-Making
- **Process 6:** Knowledge Assembly
- **Process 7:** Implementation
- **Process 8:** Knowledge Sharing
- **Process 9:** Feedback Post-Innovation
- Refinement

(Adapted from: Buhagiar, 2022)

297 of 521

In line with Figure 4.6 above, multi-sector group owned boutique hotels comprised the lengthiest innovation cycle, with respondents from these hotels discussing all 9-phases of the innovation process. Independently owned boutique hotels also comprised a relatively lengthy innovation cycle, with respondents from these hotels discussing 8 out of 9-phases. In these hotels, respondents did not report implementing any knowledge assembly processes. Alternatively, chain-owned boutique hotels comprised the shortest innovation cycle, with 6-steps discussed by respondents from these hotels. In these hotels, respondents did not discuss testing ideas, implementing any knowledge assembly practices, and collecting feedback to gauge the performance of an innovation.

Besides the preceding differences, a number of divergences in the micro-foundation practices implemented by BHOs and BHMs to establish innovation outcomes were also noted when taking into account the impact of ownership structures. First, in the idea generation phase, BHOs and BHMs from independently owned and multi-sector group owned boutique hotels described using the largest number of stimuli to generate ideas. Alternatively, BHOs and BHMs from chain-owned hotels reported using the least number of stimuli to generate ideas. Furthermore, while all BHOs and BHMs seemed to depend on certain common stimuli to generate ideas, e.g., discussions with guests, online reviews about the hotel, and prior industry knowledge, certain stimuli appeared to be specific and more frequently used in different ownership structures. For example, in chain-owned boutique hotels, social media platforms and resource constraints seemed to represent core catalysts of ideation, while in multi-sector group-owned boutique hotels, BHOs and BHMs seemed to depend on stimuli which were capable of offering knowledge breadth and requisite variety through, for example, discussions with colleagues in the industry and board meetings.

In addition, through this analysis, the findings of this study revealed that multi-sector group-owned boutique hotels comprised comparatively systemized innovation practices, with established institutional structures in place to coordinate idea generation processes, knowledge sharing practices, decision-making capabilities, and implementation activities. Alternatively, in independently owned and chain-owned boutique hotels, innovation seemed to occur in a more spontaneous manner.

Building on the findings presented herein, the following section discusses the knowledge-based dynamic capabilities identified in boutique hotels in Valletta, Malta.

4.6   Knowledge-Based Dynamic Capabilities

This section discusses the knowledge-based dynamic capabilities established in boutique hotels in Valletta, Malta, with emphasis attributed to exploring the institutional practices cultivated to systemize knowledge reconfiguration processes and innovation outcomes. This section concludes by presenting the salient findings that emerged from the discussion.

4.6.1   Knowledge-Based Dynamic Capabilities in Boutique Hotels

To systematically transform knowledge resources into innovation outcomes, boutique hoteliers developed and implemented five knowledge-based dynamic capabilities, these are the acquisition capability, combinative capability, assimilation capability, transformation capability and exploitation capability. Each capability is discussed in the forthcoming section.

4.6.1.1   Acquisition Capability

To identify, locate and acquire external knowledge, boutique hoteliers established and implemented three distinct institutional practices to systemize knowledge acquisition processes, these are networking routines, market research routines and designated IT systems.

Networking

Starting with networking routines, two distinct institutional mechanisms were developed and applied in some boutique hotels (n=10/14 hotels) to acquire external knowledge, these are coordinated socialization activities with other boutique hotels, which was implemented in six hotels (n=6/14 hotels), and culturally embedded routines for communicating with guests, which was implemented in six hotels (n=6/14 hotels). These are discussed in the forthcoming section.

According to four BHMs (n=4/16) and four BHOs (n=4/9), networking with other boutique hotels was used to systemize ideation practices. For example, BHM5.1 stated, "let's say there is a problem, we [cluster of boutique hotels] try to solve it together". Similarly, BHO8.1 stated "I would say again [discussions with other boutique hotels], little improvement yes. So, what suppliers to use for breakfast, breakfast operations, housekeeping, little property things". These BHMs (n=4/16) and BHOs (n=4/9) discussed using various mediums to communicate with other boutique hotels, including social media platforms and in-person discussions, with communication occurring on a regular basis. For example, BHO5.1 stated that they communicate "on a weekly basis [other BHs], between four or five of us". Furthermore, networking was also used as a basis to share resources. For example, BHM4.1 stated:

> because we are small hotels, sometimes we get caught up, you know, sometimes 'I did not get my bedroom slipper delivery', you call someone [another boutique hotel], 'let me have a box and I will bring it back to you in two days' time'. We do lots of that because we are small hotels. (BHM4.1)

Trust was described as essential when networking, with, for example, BHM9.2 having stressed that "we speak together, even they come over here and we speak to each other very freely". BHM4.1 expressed "even, sometimes we meet up for lunch, we talk about everything. . . . and then there is the social aspect because they become your friends".

Through networking, the collaborative relations established between BHMs (n=4/16) and BHOs (n=4/9) provided a basis for respondents to access key resources, including ideas and knowledge, with networking promoting learning and conjoined problem solving.

In addition, according to some BHMs (n=4/16) and BHOs (n=3/9), acquiring external knowledge, i.e., acquisition capability, also occurred through systemized discussions with hotel guests, with these processes systemized *via* standard operating procedures (SOPs). For example, BHM12.1 described how:

> we have a strategy on how we collect data, and one of them is we make a phone call midway through their [guests] stay, and a phone call just before their departure. . . . we have a duty manager in the morning, a duty manager in the evening, two guest relations personnel, between the AM duty manager, the PM duty manager, and the two-guest relations people, yes, they have to make all the phone calls. (BHM12.1)

BHO7.1 stated that "I encourage people [guests] to give me feedback directly to my face, because that will help me in developing what I need to develop". For these respondents, collecting feedback from customers through in-person discussions was described to constitute an integral part of daily work with, in certain cases (BH12), whole departments, i.e., specialized competencies, established to directly communicate with and collect feedback from customers. This collective competence, which was reinforced through

standard operating procedures, was recognized to support the acquisition of knowledge and facilitate ideation by providing an avenue to listen to the customer's voice.

According to these results, networks were specifically used by BHMs and BHOs to access diverse information sources, in this case, practitioners in the field and customers. By interacting with these actors, BHMs and BHOs were able to access a broader range of external knowledge, this proved to be crucial to enhance learning, to identify areas for improvement, to co-develop solutions, to identify best practices and to better understand consumer needs. By building and leveraging these relationships and social interactions, BHMs and BHOs were able to enhance their absorptive capacity and augment their ability to identify innovation opportunities in a methodical manner.

Market Research

Some BHMs (n=4/16) and BHOs (n=1/9) also described acquiring external knowledge through systemized practices for market research, with these practices reinforced through culturally embedded processes, i.e., established ways of doing things.

For example, BHM7.1 stated that:

> we are doing, let's say, but this happens two times in a month [scanning the market], we are researching the market as a group [of colleagues]. . . . Because like that we are trying to keep all the managers up to date, so they know what is happening. . . . we have an EXCEL sheet which we can all follow, even from home. So, we have all the data, we have all the stats [on competitors]. (BHM7.1)

BHO7.1 claimed that, "I always ask them [managers] to do a competitive analysis", with this analysis used by both BHO7.1 and BHM7.1 as a basis to understand market trends and identify opportunities for innovation. From a broader perspective, BHM9.1 described implementing several practices to monitor market changes, for example, this respondent stated that "every day there is something new in the news. So, I check the news every day. . . . . I cover the markets that are relevant to Malta, and that is how it goes", while this respondent also reported actively using "Google all the time" to understand customer preferences and market trends. Applying a different approach, BHM11.1 stated that "I work with interns, I get students, you know, and I give them these jobs, kind of do research on Valletta, how many hotels have pools? How many hotels have restaurants? And they gather the information for me".

For these respondents, implementing procedures to scan the market and competitors represented an invaluable method to comprehend the nature of competitors in the sector and identify opportunities for innovation through, for example, imitation or by using information as a source of inspiration for ideation practices. These scanning activities provided a framework for hoteliers to recognize new and potentially useful knowledge about market trends and shifts. These routines contributed towards enhancing a firm's absorptive capacity by equipping hotels with the data, information and knowledge required to proactively react to dynamic and rapid market changes.

ICT and IT Systems

To systematically acquire knowledge from the external environment, some hoteliers implemented ICTs and ITs, e.g., booking.com analytics, data mining software, revenue management software, etc., to facilitate ideation.

For example, BHM9.2 described how booking.com analytics was the go-to software as it "gives you the analytics, it is a very good tool", with this tool used to compare and assess the targeting strategy of the hotel, "even I compare the number of English tourists that came here, the number that went to hotel B, so you keep monitoring" (BHM9.2). This software was used by both BHM9.1 and BHM9.2 to rapidly adapt to changing market demands during Covid-19. In this respect, BHM9.2 claimed that, "[during Covid-19] we marketed to Poland, Austria, and France, those countries were a bit, not tight [regulation wise], so we targeted those markets and it worked". BHM12.1 described how software was used to mine data on customers to create a more personalized service, with this respondent having stated that "our upgrades in technology allow us to have a high level of personalization and a bit of knowledge and information about each and every guest". To keep up to date with maintenance issues and areas for improvement in the hotel, BHM11.1 described how the hotel developed its very own property management system to record common complaints voiced by guests and issues pertaining to the upkeep of the hotel. This supported the personnel in BH11 efficiently identify infrastructural upgrades and areas for improvement. All BHMs (n=3/3) and BHOs (n=3/3) from multi-sector group-owned boutique hotels (n=3/3 hotels) spoke of possessing software to monitor competitors, customer reviews, and the relative performance of the hotel in contrast to competitors. For example, BHM12.1 stated:

we have a software called X [software name], it is a brilliant software actually. . . . I look at it daily, but the real in-depth functionality once a month I go into it and the data I can access through it is unbelievable. . . . So, this one [software] analyses all the reviews of our comp [competitive] set, it can also focus on, for example, negative semantic factors leading to certain things. . . . I can then cross check whether we took any actions based on feedback. The software gives me the opportunity to learn a lot. (BHM12.1)

BHM14.1 also spoke of the same software and stressed that "you can see your [review] score compared to the other hotels as well. . . . So, you see how you're faring compared to them and it gives you a breakdown per department and even per keyword".

To the preceding BHMs (n=6/16) and BHOs (n=3/9), ICTs and ITs were used to methodically assess customer behaviour, market trends and competitors, supporting respondents identify innovation opportunities and adapt to market changes by being able to access vital knowledge. Moreover, these technologies contributed to absorptive capacity by providing the structure necessitated for streamlined data collection, processing, and exploitation.

Acquisition Capability and Ownership Structure

When exploring acquisition capabilities by ownership structure, it is relevant to note that the institutional practices developed to locate, identify, and acquire external knowledge in boutique hotels, were influenced by the ownership structures fostered in these hotels.

Based on the results, routines for networking and market research were predominantly cultivated in independently owned (n=7/9 hotels) and chain-owned boutique hotels (n=2/2 hotels). On the other hand, ITs and ICTs were implemented in all multi-sector group-owned

boutique hotels (n=3/3 hotels), only one chain-owned hotel (n=1/2 hotel) and one independently owned (n=1/9 hotel) boutique hotel. These results suggest that the size and the resources possessed by boutique hotels partly determines the developmental path of absorptive capacity. In smaller hotels, for example, independently owned and chain-owned boutique hotels, emphasis was attributed to acquiring knowledge *via* personal relationships, which is a flexible and relatively inexpensive method to systematically acquire knowledge than, for example, IT systems. On the other hand, larger hotels, i.e., multi-sector group-owned boutique hotels, prioritized market intelligence by way of technologies. This supported the acquisition of large volumes of data from multiple information sources. Moreover, this approach towards acquiring external knowledge provided a framework for the structured and systematic analysis of data, information, and knowledge, allowing for the efficient identification of market changes, trends, and opportunities for innovation.

4.6.1.2 Combinative Capability

To exploit and leverage intra-organizational knowledge, all multi-sector group-owned boutique hotels (n=3/3 hotels) established institutional structures for integrative socialization, which refers to routines for coordinated communication. Three distinct institutional practices were identified in multi-sector group-owned boutique hotels to cultivate the combinative capability, these are cross-functional teams, board meetings and intranets.

Integrative Socialization Practices

Although cross-functional teams, board meetings and intranets represent distinct mechanisms to coordinate, exploit and leverage intra-organizational knowledge, these firm-level mechanisms were found to expedite communication between intra-organizational personnel, they facilitated opportunity identification activities, and they supported collaborative knowledge creation practices. For example, BHM14.1 stated that:

> what we have is, we have an online tool at the X [hotel], that all staff have access to and it is a communication tool more than anything, but on it we share handovers, tasks, checklists, etc., but also, it has a section dedicated to ideas. . . . these ideas are tracked, and there are different stages, like in discussion, being implement, being rejected, being put forward for next year. . . . you can even put a poll, sort of, to see the engagement, like how many people are in favour of it and how many are not in favour of it. (BHM14.1)

This respondent also described how this software significantly aided front-line personnel, i.e., receptionists, stay-up to date and inspired, especially since personnel in these hotels generally work on a shift-basis, which was found to inhibit collective dialogues. To facilitate

ideation, BHM12.1 and BHO12.1 described establishing cross-functional teams to discuss ideas, with meetings held every two weeks. For example, BHM12.1 stated:

> in this squad [cross-functional team] we discuss anything, any challenges we are having, reviews, you name it, we have an agenda from the previous week and part of the meeting will allow for new ideas. . . . If it is a new idea, we would usually introduce it there [cross-functional team], because those are the people that have to contribute by saying if they agree or, you know, we have the CFO [chief financial officer] from a financial aspect, 'how much is it going to cost us?', 'What is the return?', 'How can we market this idea?' 'Is it aligned with our marketing strategy?' And operationally, obviously, that is me, but ideas come from all around, it could be the owner, it could be the CFO, it could be anyone, and I think everyone contributes. (BHM12.1)

Through these structures, both BHM12.1 and BHO12.1 reported that ideas were at an all-time high in the organization, with cross-functional teams found to act as a methodical way to stimulate divergent thinking and ideation. Likewise, both BHMs (n=3/3) and BHOs (n=3/3) from all multi-sector group owned boutique hotels (n=3/3 hotels) described routinized meetings with boards of directors, with these meetings often acting as a basis to stimulate idea generation and knowledge creation by way of combining divergent knowledge sets.

4.6.1.3   Assimilation Capability

To interpret, understand and assimilate knowledge, BHMs and BHOs implemented two different mechanisms to support the assimilation capability, these are routinized analytical studies and Human Resource (HR) practices, specifically, training and development processes.

Analytical Studies

In all group-owned (n=3/3 hotels) and one chain-owned boutique hotel (n=1/2 hotel), systemized practices were implemented to explore the practicability of ideas including, for example, feasibility studies, customer journey mapping, strategic positioning analysis and market penetration strategies. These practices provided hoteliers with a robust basis to routinely and thoroughly investigate the benefits and drawbacks of ideas prior to their full implementation. Moreover, these practices supported hoteliers assimilate knowledge by providing a framework to visualize product lifecycles and the needs and preferences of customers. These practices also supported informed decision-making and they reduced the risks associated with innovation by ensuring that any new projects or ventures were viable.

According to BHO13.1, "because it [boutique hotel] is a novelty. . . . they [managers] have to make all the market research in the world to see whether this market exist, how we're going to reach it and with what strategy". This was considered relevant because "if we do not come up with new things then you are copying and, of course, you don't need to do the research, it is there, but, what is the fun in that. And you are not adding value" (BHO13.1). BHM13.1 spoke of conducting feasibility studies to explore the potential of an idea and,

depending on the outcome of this analysis, the idea would then be presented during a monthly board meeting.

According to BHM12.1 "we do a lot of feasibility studies to determine whether something is viable" and BHO12.1 asserted that in addition to feasibility studies, the organization also implements "mind mapping, which is an architecture of all the guest journey, completely. . . . we do it in-house, it looks like a tube map of London". This respondent stressed that:

> So, we did a study on the willingness to pay drivers [for the service provision], we did a study on the [customer] pain points, on our strategic positioning, it is a whole system, and then we looked at the journey, we looked at the key result areas that we wanted to connect. (BHO12.1)

Both BHM11.1 and BHM14.1 described formalized structures for conducting financial analysis. According to the respondents in this study, these forms of analysis supported hoteliers collect vast quantities of data, that enhanced their ability to interpret, analyse and comprehend information. This was crucial for the assimilation capability, providing a framework for more informed decision-making.

HR Practices: Training and Development

In all multi-sector group-owned boutique hotels (n=3/3 hotels), HR practices were implemented to facilitate knowledge assimilation. These practices were effectuated through specialized departments, i.e., HR department, which were established to monitor and augment the knowledge bases of intra-organizational personnel.

According to BHM12.1:

> we have an HR [human resource] manager, who is the go-to person for designing the training budget and also the training needs that we need, but that is something which is organic, because it evolves over time. I mean, this week I started doing KPI [key performance indicator] meetings with all the heads of department, and from those KPI meetings we are starting to realize the areas we need to focus on a little bit more in terms of training. (BHM12.1)

BHO13.1 stated that they [BH13] "opened an academy for our staff because training and moulding people is key. . . . so, the staff, all the management are trained in a way that they are moulded into whatever shape or form the business is". Likewise, BHM13.1 asserted:

> the idea with the academy is that as a group we will be able to offer in-house training for all our managers. . . . this gives us an opportunity to identify skills gaps and potential candidates who can join the group. (BHM13.1)

In BH14, both BHM14.1 and BHO14.1 also described comprising human resource department, with this department primarily responsible for identifying knowledge redundancies in the workforce, learning opportunities, and developing training programs.

Through HR practices, BHMs (n=3/3) and BHOs (n=3/3) from multi-sector group-owned boutique hotels (n=3/3 hotels) described benefitting from a workforce with specialized competencies, up-to-date knowledge bases, and a strong learning-orientation, underpinnings necessary for continuous development.

Assimilation Capability and Ownership Structure

When exploring the assimilation capability by ownership structure, it is relevant to note that this capability was predominantly cultivated in group-owned boutique hotels (n=3/3 hotels), where specialized departments were established and dedicated towards either conducting market analysis or augmenting human resources. As a result, the assimilation capability appears to be interlinked to larger organizational structures with, specifically, no evidence of this capability found in independently owned boutique hotels (n=9/9 hotels). These results suggest that although smaller boutique hotels comprise systematic practices to acquire external knowledge, they may struggle to methodically explore and interpret this knowledge.

4.6.1.4   Transformation Capability

To interpret and understand information and knowledge that is novel and distant from what is known in a boutique hotel (transformation capability), BHMs (n=2/3) and BHOs (n=2/2) from multi-sector group-owned boutique hotels (n=3/3 hotels) implemented two distinct institutional practices, these are outsourced training and hiring experienced personnel.

Outsourced Training

According to two boutique hotel managers (n=2/16), when knowledge is distant from what is already known, external expertise is generally contracted *via* outsourced training to support and facilitate learning in boutique hotels. For example, BHM12.1 stated:

> with spa training we hired a firm in Switzerland who are experts in wellness, they consulted us in setting up the spa in the first place, and they still provide us with training for staff regularly. We pay them an annual retainer, which is extremely expensive, but they deliver. (BHM12.1)

BHM13.1 stressed that:

> When it comes to training, I would say there is a balance between in-house training and outside training. . . . for understanding certain aspects of the customer journey, the service element, we bring in people, tutors from outside. (BHM13.1)

According to BHMs (n=2/16), outsourced training facilitated transformation capabilities by providing a basis to bridge skills gaps in the workforce. It supported the interpretation, re-interpretation and reconfiguration of existing practices and it provided a basis for information on new innovations to be appropriately conveyed to staff. For example, when discussing a new system that was being implemented in BH12, BHM12.1 stated that "we bought the hardware, we bought the software, we bought the licenses, we started training because, in essence, people like myself and a few of my colleagues will be using all of the systems".

Hiring Experienced Personnel

According to two BHOs (n=2/3) from multi-sector group-owned boutique hotels, when knowledge was dissimilar and novel, these hoteliers strategically recruited experienced personnel with the required knowledge to implement an innovation.

For example, in BH14, an organization with limited experience related to developing hotels, BHO14.1 stressed that:

> in terms of the general manager for the hotel, we wanted someone hands on, but also with a bit of financial experience because, for me, the revenue management of the hotel is very important. As rooms get taken-up, the price increases. So, we needed to have that sort of mechanism in place. So, this particular person had to have that experience and skillset. . . . The food manager the same thing. Basically, once we saw the potential of the restaurant and the bar, we said we can afford to pay for a good manager, so, let's not waste time and try to build a person, let's find that person. So, we headhunted someone with experience. (BHO14.1)

Likewise, in BH13, practices were undertaken to hire experienced personnel with the knowledge necessitated to effectuate an innovation. According to BHO13.1, "I believe you cannot develop something successfully unless you have experience in it and if you don't you make sure you get people that have experience in it" (BHO13.1).

Hiring experienced personnel supported hoteliers assimilate and apply ideas as well as practices, it also facilitated these organizations increase their knowledge breadth and depth. This augmented and enhanced the knowledge bases present within these respective hotels.

Transformation Capability and Ownership Structure

The transformation capability was only established in multi-sector group-owned boutique hotels (n=3/3 hotels), where resources were available for outsourced training and recruiting experienced personnel. These results suggest that smaller boutique hotels, including independently owned and chain-owned boutique hotels, may be limited in their capacity to develop the transformation capability due to resource constraints and the costs typically associated with specialization, e.g., establishing an HR department. By comprising these

capabilities, multi-sector group-owned boutique hotels benefitted from continuous learning and development, and they comprised the infrastructure necessitated to remain competitive.

4.6.1.5 Exploitation Capability

To capture value from knowledge, the same type of institutional practice was implemented in all multi-sector group-owned boutique hotels (n=3/3 hotels), this practice involved conducting board meetings. According to BHMs (n=3/3) and BHOs (n=3/3), board meetings were fundamental in facilitating decision-making and they also provided a structured format for discussions and deliberations. These meetings also ensured that the risks of an innovation were managed, the resources required for an innovation were available and that innovations aligned with the strategic goals and priorities of these enterprises.

According to BHO14.1, at board meetings:

> anyone who wants to give input gives input, it [decision] is always unanimous, we agree on the final decision, but, the thing is we always take a decision, we do not leave things pending, unless there is something we are unsure about. In this case, we spend the week after that researching, so, by the time we have the next board meeting what we were unsure of we have analysed, studied and implemented. (BHO14.1)

BHO12.1 claimed that:

> we work with a three-year strategy, a strategic plan. But, you have your intended strategy, and your emergent strategy. I think, this innovative idea thing is the emergent strategy, so, it is very unstructured. But, we structure it into the plan, it is like a rolling strategy, an evolving one. When it comes to implementation it is very structured. (BHO12.1)

According to BHMs (n=3/3) and BHOs (n=3/3) from multi-sector group-owned boutique hotels (n=3/3 hotels), board meetings constituted a core mechanism to leverage intellectual capital, and they represented a formalized structure upon which well-informed, calculated, and unanimous decisions regarding an innovation were effectuated.

4.6.2 Summary

This section discussed the knowledge-based dynamic capabilities established and implemented in boutique hotels in Valletta, Malta. These are illustrated in Figure 4.7 below. Based on the results presented in this section, a few inferences about knowledge-based dynamic capabilities can be drawn.

Figure 4.7 Knowledge-Based Dynamic Capabilities Implemented in Boutique Hotels

Capability	Description of capability	Institutionalized Practice/s used in BH	Examples of Institutionalized Practices	Stage of the Innovation Process
Acquisition capability	The acquisition capability refers to the ability of an organization to identify, locate and acquire valuable knowledge that is external to the organization (Cohen & Levinthal, 1990; Zahra & George, 2002)	1) Networking	Discussions with other boutique hotels in Valletta	**Process 1: Idea Generation**
			Discussions with guests	
		2) Market research	Manually researching the market and competitors using the internet	**Process 1: Idea Generation**
		3) ICT and IT systems	Booking.com analytics; data mining software; maintenance software; revenue management software	**Process 1: Idea Generation**
Combinative capability	The combinative capability refers to the capacity of an organization to develop new knowledge by exploiting existing knowledge within the organization (Kogut & Zander, 1992; Van den Bosch et al., 1999)	1) Integrative socialization practices	Board meetings; cross-functional teams; intranets	**Process 1: Idea Generation; Process 3: Knowledge Creation**
Assimilation capability	The assimilation capability refers to the capacity of organizations to interpret and understand information/knowledge (Zahra & George, 2002)	1) Analytical studies	Feasibility studies; customer journey mapping; strategic positioning analysis; development of market penetration strategy	**Process 2: Market Research**
		2) HR practices	Training and Development	**Process 6: knowledge assembly**
Transformation capability	The transformation capability refers to the capacity of organizations to understand infromation which is novel and distant from what is known (Todorova & Durisin, 2007)	1) HR practices	Outsourced training	**Process 6: knowledge assembly**
			Hiring experienced personnel	
Exploitation capability	The exploitation capability refers to the capacity of an organization to capture value from knowledge by enacting decisions (Zahra & George, 2002)	1) Formalized decision-making processes	Board meetings	**Pocess 5: Decision Making**

(Source: Author)

In boutique hotels, evidence was found of all five knowledge-based dynamic capabilities, including the acquisition capability, combinative capability, assimilation capability, transformation capability and exploitation capability. This suggest that these hotels have implemented mechanisms to continuously adapt and reconfigure knowledge resources to react to environment dynamism. Through these capabilities, BHMs and BHOs were able to systematically access external knowledge and leverage intra-organizational knowledge to identify innovation opportunities, they were able to assimilate and transform knowledge, and they were able to exploit knowledge to result in innovation outcomes.

When considering the impact of ownership structure on knowledge-based dynamic capabilities, differences in these capabilities were observed. Of the nine independently owned boutique hotels in this research, six hotels solely demonstrated evidence of absorptive capacity *via* networking. Out of the two chain-owned boutique hotels explored in this study, only one hotel exhibited evidence of the absorptive and assimilation capability. On the other hand, multi-sector group-owned boutique hotels comprised all five capabilities. These findings suggest that larger organizations seem to be better equipped to foster knowledge-based dynamic capabilities. Based on the results of this research, this is likely due to three factors. First, these hotels leveraged sophisticated technologies to systemize knowledge acquisition and ideation activities. Second, these hotels comprised specialized competencies which were used to support the combinative, assimilation and transformation capability. Third, these hotels comprised structures to facilitate intra-organizational socialization and decision-making. Moreover, due to specialization, these hotels benefitted from knowledge diversity and access to a large workforce, these factors seem to have facilitated hoteliers leverage and exploit organizational structures for augmented capabilities.

When assessing the extent to which the micro-foundation processes in boutique hotels were systemized *via* knowledge-based dynamic capabilities, institutional structures appear to have been established for five out of the nine phases of the micro-foundation process. In addition, the degree of systemization prevalent in micro-foundation process varied by ownership structure. For example, in independently owned boutique hotels, six out of 21 ideation stimuli were systemized. In one chain-owned hotel, six ideation stimuli and phase two of the micro-foundation process, i.e., market research, were systemized. In multi-sector group-owned boutique hotels, three ideation stimuli (phase one), phase 2 (market research), phase 3 (intra-organizational knowledge creation), phase 5 (decision-making) and phase 6 (knowledge assembly) were systemized. Based on these results, a few inferences about the innovation process can be drawn.

In the case of independently owned and chain-owned boutique hotels, innovation practices appear to largely depend on the individual-level actions of both BHMs and BHOs, making this process informal and sporadic. For example, internal sensing stimuli, which proved integral to the ideation process, were largely dependent on individual-level motivations, actions, and cognition. Similarly, knowledge creation practices in independently owned boutique hotels occurred through several different paths, with the informal structures adopted in these hotels and the decentralized modes of communication fostered in these environments further reinforcing the notion of equifinality. Likewise, testing ideas, even in larger hotels, e.g., multi-sector group-owned boutique hotels, was able to occur through different routes, with no fixed practices denoted to ground this process. Heterogeneity in innovation processes were also noted in decision-making practices, implementation processes, knowledge sharing activities, and when acquiring feedback post-innovation.

Therefore, in boutique hotels, especially smaller hotels, innovation appears to be driven by individual-level non-systematic practices. This was substantiated by several BHMs (n=10/16) and BHOs (n=6/9) who described the innovation process as informal. For example, BHM3.1 stated "these things happen naturally, you know, you go and you see something you like and then you discuss it. It's not like today's Wednesday, I'm going to go for innovation now". Similarly, BHM4.1 claimed that "it [innovation process] is very informal because, I mean, myself, I run the hotel, I speak to guests, we speak to someone like you, we do a lot of things, so it is difficult to have a structure like you have in the bigger organizations". Likewise, BHM9.1 expressed that "it [innovation process] is more spontaneous. . . . there are days where your mind thinks a lot, and there are days and weeks where your mind is blocked".

In addition, these results also illustrate that boutique hotels may comprise one or several knowledge-based dynamic capabilities, meaning that these capabilities are heterogeneously distributed. Likewise, the practices and institutional structures used to ground knowledge-based dynamic capabilities appear to be idiosyncratic. This suggests that there is no one-size fits-all approach to cultivate knowledge-based dynamic capabilities, each hotel seems to develop these capabilities based on their structure, access to resources and novel attributes.

4.7 Characteristics of Innovation in Boutique Hotels

This section discusses the characteristics of the innovations implemented in boutique hotels in Valletta, Malta, with emphasis attributed to discussing the number, the types, and the degrees of novelty of the innovations implemented in these hotels. This section concludes by outlining the salient points discussed herein.

This section follows a structured approach to discuss the characteristics of the innovations implemented in boutique hotels in Valletta, Malta. Initially, this section presents a general overview of the characteristics comprising the innovations implemented in boutique hotels, without differentiating by ownership structure. This is followed by a discussion on the impact of context and ownership on the innovations implemented in boutique hotels.

4.7.1 Number of Innovations Implemented in Boutique Hotels

Based on the total number of self-reported innovations discussed by BHOs (n=9/9) and BHMs (n=16/16), in total, 124 innovations were implemented throughout the entire lifecycle of the investigated boutique hotels (n=14/14 hotels).

Figure 4.8 Total Number of Innovations Implemented in Boutique Hotels by Context
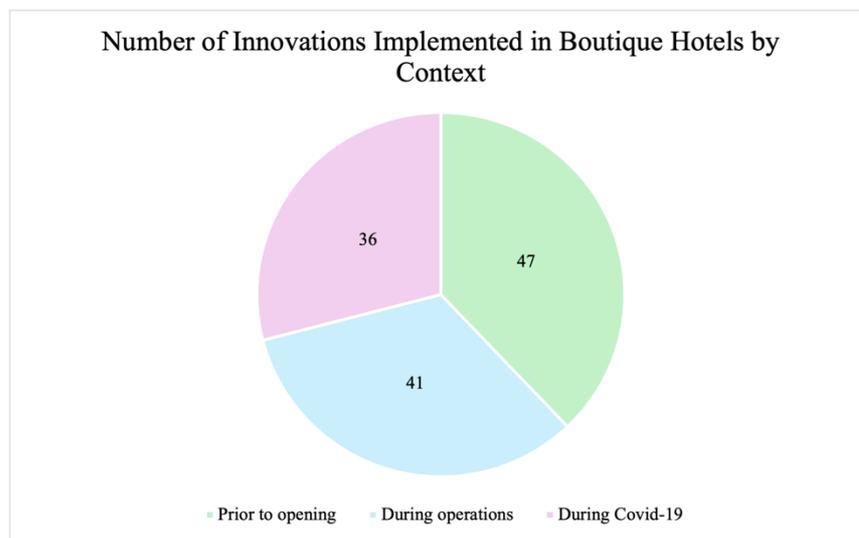
(Source: Author)

In line with Figure 4.8 above, when analysing the 124 innovations by context, most innovations, i.e., 47 innovations, were integrated into boutique hotels prior to the opening of each hotel (n=13/14 hotels). 41 innovations were implemented in boutique hotels (n=10/14 hotels) during the operational phase and 36 innovations were implemented in boutique hotels (n=10/14 hotels) during Covid-19.

When considering the impact of context on innovation, innovations decreased across the three different contextual phases considered in this research. Specifically, from the per-operational period to the operational period, innovations decreased by 13.16%. From the operational period to the Covid-19 period, innovations decreased by 12.12%. These findings illustrate that innovations in boutique hotels declined after they became operational.

Out of the 124 innovations described by BHOs (n=9/9) and BHMs (n=16/16), the largest number of innovations were implemented in independently owned boutique hotels (n=9/9 hotels) with, in total, 79 (n=79/124) innovations described by respondents from these hotels. In part, the large number of innovations recorded in these hotels is likely to be due to the considerable number of independently owned boutique hotels in the sample (n=9/14 hotels). Several innovations were also implemented in multi-sector group-owned boutique hotels (n=3/3 hotels), with 30 innovations (n=30/124) put into practice in these hotels. Chain-owned boutique hotels (n=2/2 hotels) implemented the fewest innovations, with 15 (n=15/124) innovations implemented in these enterprises. In part, this finding is likely to be due to the comparatively limited size of this sample.

Table 4.8 Average Number of Innovations Implemented in Boutique Hotels Per Year

Boutique Hotel	Total innovations	Number of Years in Operation	Average Number of Innovations Per Year
BH1	9	8	1.13
BH2	9	5	1.8
BH3	5	5	1
BH4	8	4	2
BH5	7	4	1.75
BH6	10	4	2.5
BH7	9	4	2.25
BH8	13	4	3.25
BH9	9	3	3
BH10	5	6	0.8
BH11	10	4	2.5
BH12	12	4	3
BH13	8	5	1.6
BH14	10	2	5

(Source: Author)

For a more objective overview of innovation, when assessing the average number of innovations implemented in boutique hotels based on their years of operation, Table 4.8 above demonstrates that most boutique hotels (n=9/14 hotels) implemented between one to two innovations per year. This was followed by boutique hotels (n=3/14 hotels) where three to four innovations were implemented per year. Only one hotel implemented fewer than one innovation per year, while another implemented five innovations per year.

Figure 4.9 Innovations by Context and Ownership Structure

Innovations by Context and Ownership Structure

- Prior to opening, 32
- During oprations, 25
- During Covid-19, 22
- Prior to opening, 11
- During oprations, 11
- During Covid-19, 14
- Prior to opening, 4
- During oprations, 5
- During Covid-19, 0

Legend:
— Independently owned boutique hotels — Chain-owned boutique hotels — Multi-sector group-owned boutique hotels
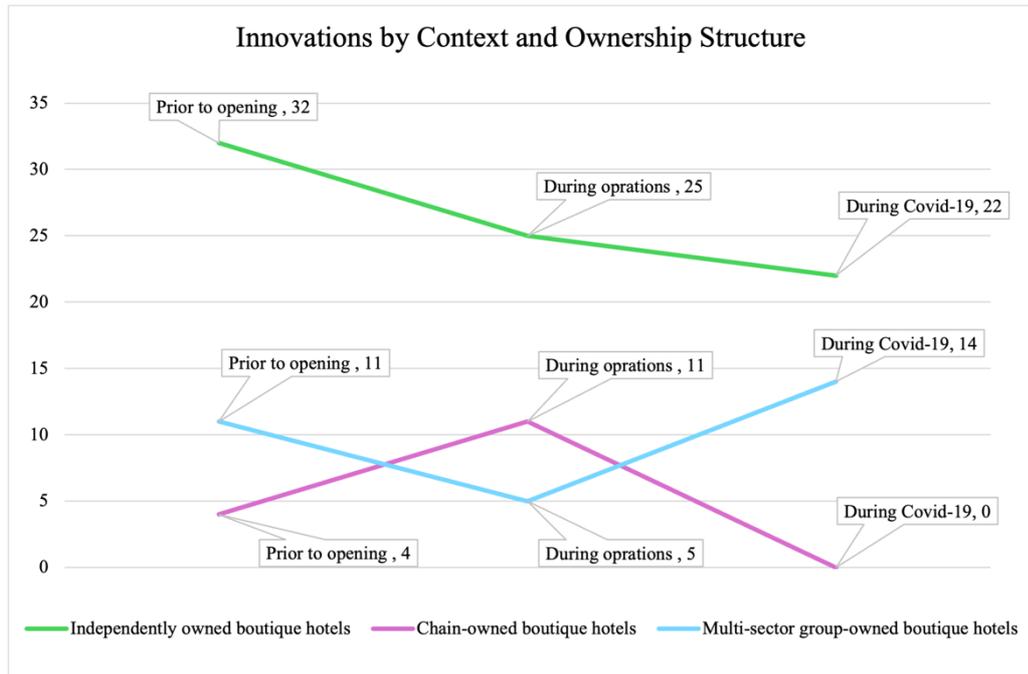
(Source: Author)

When investigating the number of innovations implemented in each sub-group of boutique hotels according to the three contexts explored, Figure 4.9 demonstrates that both ownership structures and context exerted an impact on innovations.

In independently owned boutique hotels (n=9/9 hotels), innovations consistently declined across all three contexts. In chain-owned boutique hotels (n=2/2 hotels), most innovations were implemented during the operational phase (n=11/15 innovations). During Covid-19, no innovations were implemented in these hotels. In multi-sector group-owned boutique hotels (n=3/3 hotels), the majority of innovations were implemented prior to the operational phase and during Covid-19. These results are likely attributable to context-specific limitations and constraints that vary by ownership structure.

In the case of independently owned boutique hotels (n=9/9 hotels), lack of access to financial resources combined with the newness of the hotels themselves seem to have played a role in contributing towards the declining rates of innovation in these hotels. According to five BHMs (n=5/11) from these hotels, lack of access to financial capital significantly inhibited the development and implementation of innovations. For example, BHM9.1 stated that "normally there are financial barriers that do stop some ideas", and BHM2.1 stated, "the most important thing [determining factor] is how much does the idea cost".

In addition to financial limitations, several BHMs (n=3/11) and one BHO (n=1/5) from independently owned boutique hotels (n=9/9 hotels) also discussed how the newness of the hotels generally reduced the need for innovation, with these hotels placing greater emphasis on maintenance. For example, BHM4.1 stated, "our boutique hotel is only 3 years old, so, everything is pretty new, we did not need to change anything". BHO5.1 expressed that:

> look, I do not think we need to improve it [the hotel], I think we are happy with what we have. I think we invested a lot of energy in the beginning, we still have a good product for the time being, we have been very successful, and it is very difficult to improve it. (BHO5.1)

BHM2.1 claimed that, "we are spending quite a lot of money on refurbishing but, small things, because we don't need big things. The hotel is always looked after so there are no major issues".

A subsequent factor that may have also contributed towards the declining rates of innovation in both independently owned (n=9/9 hotels) and chain-owned boutique hotels (n=2/2 hotels) was the negative impact of Covid-19 on the morale of BHMs (n=8/13) and BHOs (n=2/6). For example, BHO1.1 stated that, "we were demotivated [during Covid-19]. You see the

hotel closed or, with a little bit of business, I wouldn't consider any innovations at that time. . . . For me, the most important was we survive". Likewise, BHM4.1 described how Covid-19 was "a motivational killer, literally", and BHM11.1 stated that "the only people who were, kind of, kept going [during covid] were the maintenance people because they had things to do. . . . But, in terms of me and the staff, it was very demotivating". Tying these perspectives together, BHM2.1 stated that:

> I mean, first of all, obviously, all of a sudden you don't have the salary you used to have, you're living on a wage supplement for a year and a half, it is quite an impact on your life and overall motivation, and I can say, I think for all of us here, that you are not even motivated to come to work, because what are you coming to work for? And, obviously, it was also in the sense, there was no money to spend, there was no money to look after the place, to make sure that you please the guests, you know? (BHM2.1)

These factors, combined, may explain why, over time, innovations in both independently owned (n=9/9 hotels) and chain-owned boutique hotels (n=2/2 hotels) declined.

In terms of multi-sector group-owned boutique hotels (n=3/3 hotels), the decline in the number of innovations implemented in these hotels from the pre-operational phase to the operational phase can be explained by the fact that BH14 opened during Covid-19. Therefore, any innovations implemented by this hotel during the 'operational phase' were accounted for in the Covid-19 phase. This means that during the operational phase, only innovations implemented in BH12 and BH13 were recorded.

On the other hand, the increase in innovations experienced by multi-sector group-owned boutique hotels (n=3/3 hotels) during Covid-19 may be due to two factors. First, as previously discussed, the number of innovations recorded in this period accounted for the innovation efforts of BH14. Second, unlike the preceding respondents, some BHMs (n=3/3)

and BHOs (n=2/3) from multi-sector group-owned boutique hotels (n=3/3 hotels) viewed Covid-19 as an opportunity to develop ideas, with a few of these respondents having reported high levels of motivation during this timeframe. For example, BHM12.1 stated that "I would say covid was a chance to reflect, to learn, to sharpen your focus, and to strategize". BHO12.1 asserted that "and even when we were shut [due to Covid-19]. . . . we kept working on ideas, we stayed very positive and I think that helped us a lot". Likewise, notwithstanding the fact that BH14 opened during Covid-19, BHM14.1 stated that, "I am always trying to find the best things on the market to be innovative, to be different and to be more efficient. And, with covid, it got us to think about these things even more" (BHM14.1).

These results illustrate that a hotel's level of access to financial resources, the newness of the hotel itself, the mentality of personnel in these hotels towards Covid-19, contextual changes as well as ownership structures, seem to have impacted the uptake of innovation in these hotels. Notably, larger organizational structures, i.e., multi-sector group-owned boutique hotels (n=3/3 hotels), displayed a greater propensity towards innovation and strategic renewal in contexts defined by change and uncertainty, e.g., Covid-19.

4.7.2 Types of Innovations Implemented in Boutique Hotels

Figure 4.10 Innovations by Outcome
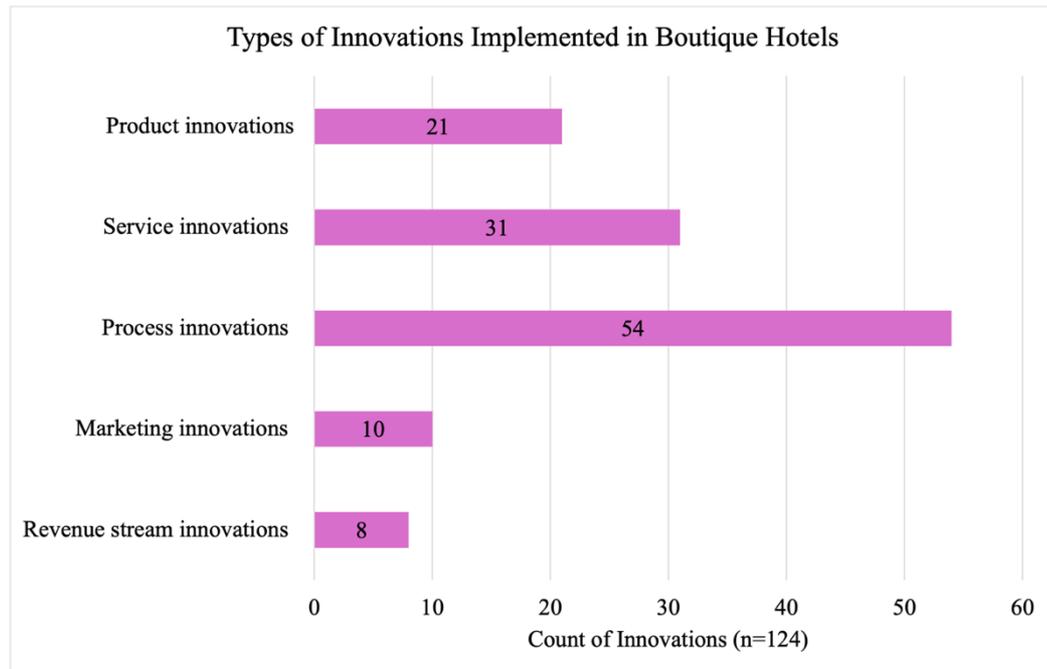
(Source: Author)

Five different types of innovation were implemented in boutique hotels (n=14/14 hotels), these are product innovations (n=21/124), service innovations (n=31/124), process innovations (n=54/124), marketing innovations (n=10/124) and revenue stream innovations (n=8/124) (see Figure 4.10). Out of these five different types of innovation, process innovations (n=54/124) were most prevalent. This was followed by service innovations (n=31/124) and product innovations (n=21/124).

The most frequently implemented process innovations (n=54/124) in boutique hotels were digital/technology innovations (n=21/54), this was followed by new or improved work methods (n=17/54) and eco-innovations (n=16/54). Some examples of digital/technology

innovations (n=21/54) in boutique hotels included the implementation of self-service check-in and check-out systems (BH2, BH3, BH8), automated replies to FAQs (BH2) and the implementation of a business WhatsApp account to communicate with hotel guests (BH6). New or improved work methods (n=17/54) included, for example, restructuring staff (BH1) and establishing in-house towel cleaning services (BH4). Eco-innovations (n=16/54) in boutique hotels included the implementation of smart energy systems (BH9), replacing single use toiletries with shampoo and conditioner dispensers (BH1, BH11) and changing all coffee pods to recyclable coffee pods (BH12).

Three different types of service innovation (n=31/124) were implemented in boutique hotels, these are new or improved services (n=16/31), novel service delivery methods (n=9/31) and the development of heterogeneous experiences (n=6/31). Some examples of new or improved services (n=16/31) in boutique hotels included offering family rooms to guests (BH13), offering pet friendly rooms to guests (BH14) and offering specialised/niche massages to guests (BH10). Examples of novel service delivery methods (n=9/31) in boutique hotels included intimate communications with guests (BH1, BH4, BH5, BH7, BH9, BH11) and offering guests personalised itinerary plans (BH3). Heterogeneous service experiences (n=6/31) in boutique hotels included access to a destination restaurant (BH13) and the introduction of an aperitif service on the hotel rooftop (BH2).

Two different types of product innovation (n=21/124) were identified in boutique hotels, these are design driven innovations, i.e., servicescape innovations (n=12/21) and architectural innovations (n=9/21). Some design driven innovations (n=12/21) in boutique hotels included the use of thematised décor (BH11) and procuring furniture from auctions to decorate the hotel (BH6). Examples of architectural innovations (n=9/21) included

expanding the hotel through the addition of another floor (BH1) and developing and implementing spa and pool facilities in the hotel (BH5).

10 marketing innovations (n=10/124) were implemented in boutique hotels, these included promotions/offers (n=1/10) and advertising innovations (n=9/10). Only one promotion/offer (n=1/10) was implemented in boutique hotels, this was a 10% discount on in-house dining (BH6). Some examples of advertising innovations (n=9/10) included collaborations with national and international social media influencers to promote the hotel (BH10) and featuring the hotel in local TV programs (BH10).

Only eight innovations were recorded in revenue streams (n=8/124). Out of these eight innovations, five innovations (n=5/8) were implemented to re-structure the pricing mechanisms of the hotel and three innovations (n=3/8) were implemented to diversify revenue streams. It is relevant to note that out of the 124 innovations discussed by BHMs and BHOs, 50 innovations were implemented across multiple hotels in the sample, while 74 innovations were unique to a single hotel.
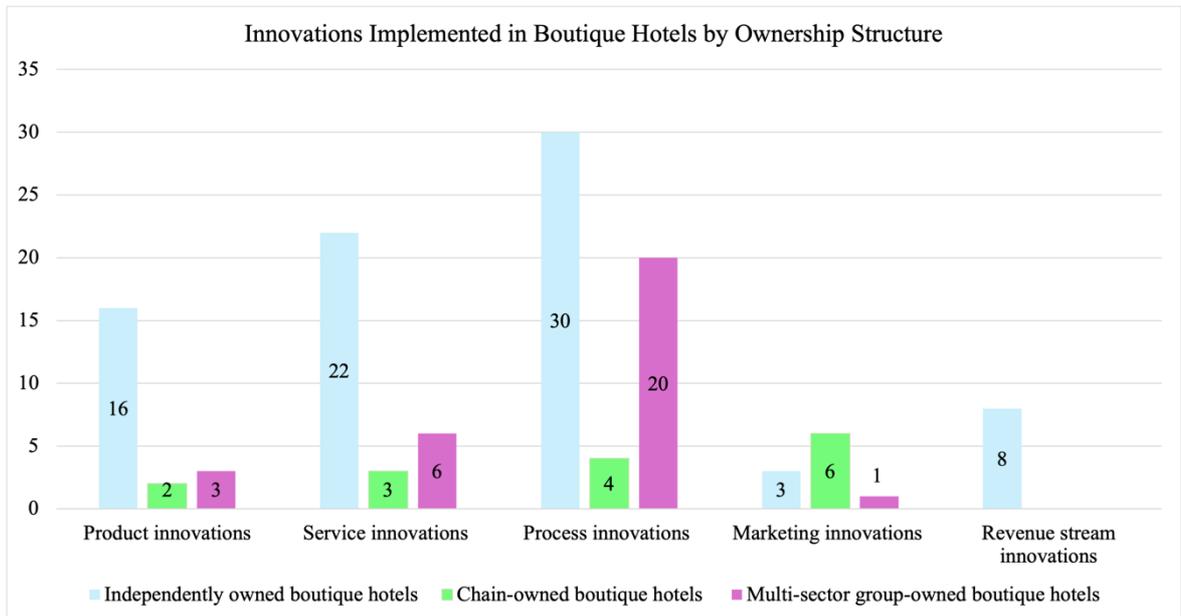
A list illustrating the different types of innovations implemented in boutique hotels is presented in Figure 4.11 below. For a full list of the innovations implemented in each individual boutique hotel refer to Appendix V.

Figure 4.11 Types of Innovations Implemented in Boutique Hotels

Type of innovation	Number of innovations	Description	Specific sub-types of innovation	Number of innovations per sub-category	Examples in boutique hotels	BH number
Product Innovation	21	Product innovations in boutique hotels focus on enhancing the aesthetic and functional attributes of these accommodation provisions. These forms of innovation tend to be tangble and observable by customers.	Design driven innovations	12	Curated furniture purchased from auctions used to furnish the hotel	BH6
					Safe with integrated technology installed in rooms - allows guests to charge their electronic devices in a secure manner	BH9
					Thematized dector	BH11
					Installing sound systems in rooms	BH2
			Architectural innovations	9	Expansion of the hotel through the addition of another floor	BH11
					Structural changes implemented in hotel rooms	BH8
					Developing spa and pool facilities in the hotel	BH5
					Equipping rooms with a private sauna	BH13
Service innovation	31	Service innovations in boutique hotels focus on improving the customer experience and the quality of interactions between customers and hoteliers. These innovations also include the introduction of new or significantly improved services. These forms of innovation tend to depend on the humanistic cues of hoteliers and they are often intangible and subtle.	Heterogeneous service experiences	6	Hotel established a destination restaurant	BH13
					Hotel developed and started offering experience packages to guests, e.g., picnic experiences	BH1
					Introduction of aperitif service on hotel roof	BH2
					Hotel developed and integrated experiences into turn-down services, e.g., cocktail ritual, tea experience	BH12
			Novel service delivery (personalization)	9	Intimate communications with guests	BH1, BH4, BH5, BH7, BH9, BH11
					Personalised guest holidays through customised itinerary plans	BH3
					Offering room service based on the availability of take-away food options from restaurans in the area	BH7
					Unlimited interaction time with guests	BH2
			New or improved services	16	Guests can choose their preferred mattress firmness	BH6
					Selling art on display at the hotel	BH8
					Hotel started offering family rooms	BH13
					Hotel started offering pet friendly rooms	BH7, BH14
Process innovation	54	Process innovations in boutique hotels focus on changes to intra-organizational structures for augmented outputs. These forms of innovation tend to occur through the implementation of new work methods, digitization and the implementation of environmental sustainability practices.	New or improved work methods	17	Using the same staff to manage both the hotel and museum	BH6
					Hotel developed off-site laundrette to process dirty laundry	BH9
					Restructuring staff	BH1
			Digitization (technology)	21	Implementation of self-service check-in systems	BH2, BH3, BH8
					Digitally connected stay through intelligent systems	BH13
					Automated replies to FAQs	BH2
					Business WhatsApp account for communications with guests	BH6
			Eco innovations	16	Implementation of smart energy systems	BH9
					Installation of shampoo and conditioner dispensers	BH1, BH11
					Changing all coffee pods to recyclable coffee pods	BH12
					Green accreditation	BH8
Marketing innovation	10	Marketing innovations in boutique hotels focus on guest engagement through promotions and novel advertising concepts.	Promotions/offers	1	10% discount offered on in-house restaurant dining	BH9
					Historic background of hotel marketed in promotional material	BH6
			Advertising innovations	9	Collaborations with national and national social media influencers to promote the hotel	BH11, BH13
					Featuring the hotel in TV programs	BH10
					Developing new targeting and segmentation strategy	BH10
Revenue stream innovation	8	Revenue stream innovations in boutique hotels focus on adaptations to the economic models and pricing structures used in these accommodation provisions.	Revenue diversification	3	Leasing spa operations	BH5
					Leasing restaurant operations	BH4, BH6
					Renting rooms long-term	BH2, BH4
			New approach to structuring pricing	5	Eco-tax included in booking.com fee	BH9
					Mini-bar fee included in the price of the room	BH3, BH9

(Source: Author)

Figure 4.12 Innovations by Outcome and Ownership Structure

(Source: Author)

When exploring the types of innovations implemented in boutique hotels (n=14/14) by ownership structure, Figure 4.12 above illustrates that ownership structures exerted a marginal influence on the types of innovations implemented in boutique hotels (n=14/14 hotels).

The data revealed that irrespective of ownership structure, emphasis in boutique hotels was placed on process innovations. In independently owned (n=9/14) and multi-sector group-owned hotels (n=3/14), this form of innovation was followed by service innovations and product innovations. In contrast, chain-owned boutique hotels (n=2/14) predominantly focused on marketing innovations. It is relevant to note that independently owned boutique hotels were the only type of accommodation to adopt revenue stream innovations.

Figure 4.13 Innovation by Context and Ownership: Independently Owned Boutique Hotels

Independently Owned Boutique Hotels: Innovations by Context
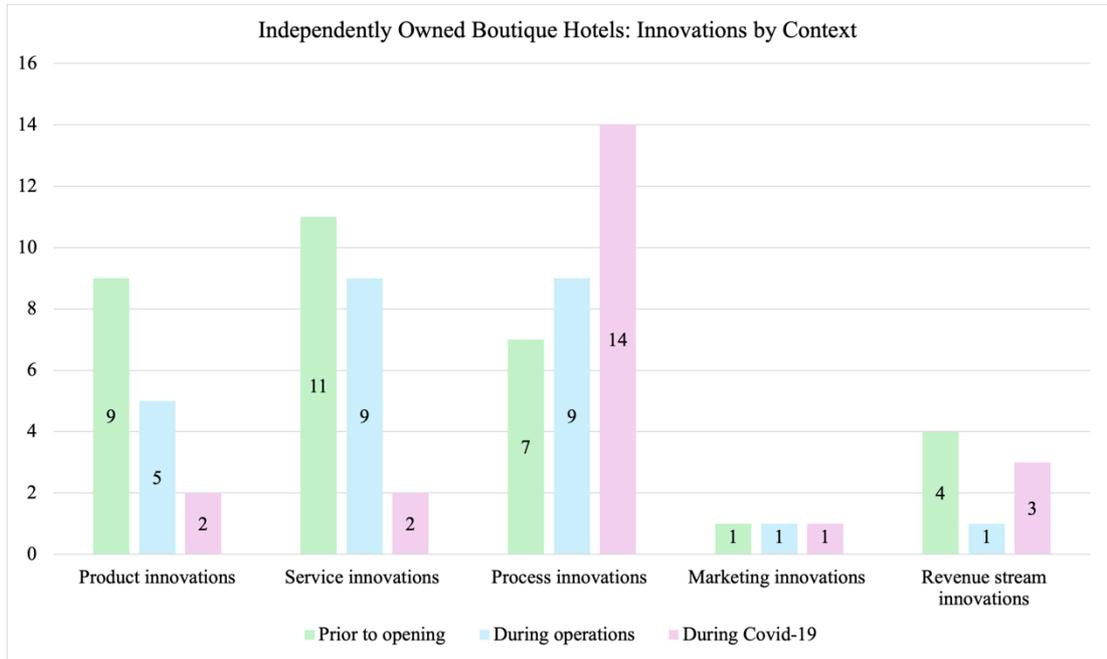
(Source: Author)

Figure 4.14 Innovation by Context and Ownership: Chain-Owned Boutique Hotels

Chain-Owned Boutique Hotels: Innovations by Context
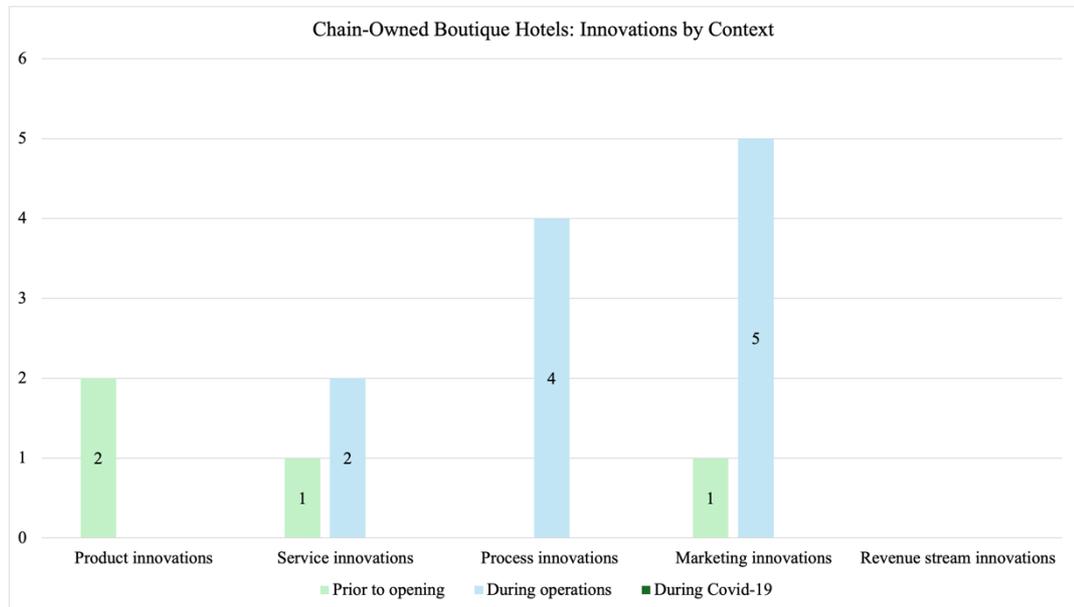
(Source: Author)

Figure 4.15 Innovation by Context and Ownership: Multi-Sector Group-Owned Boutique Hotels
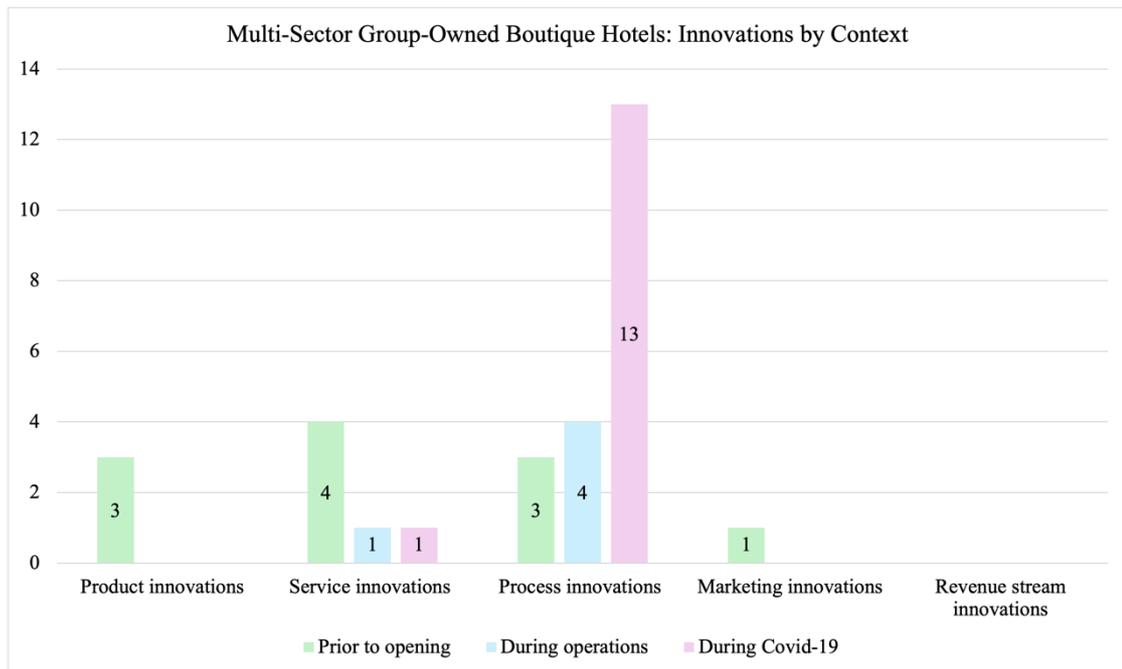
(Source: Author)

An analysis of the innovations implemented in boutique hotels (n=14/14), segmented by context and ownership structure, as illustrated in Figures 4.13, 4.14, and 4.15, reveals certain patterns and variances in the types of innovations implemented in these hotels.

Focusing on the types of innovations implemented in boutique hotels prior to opening (n=47/124), all hotels, irrelevant of ownership structure, emphasized innovations in products (n=14/47) and services (n=16/47). During this period, the most prevalent types of service innovations included innovations in service delivery methods (n=9/47) and the introduction of new or improved services (n=5/47). Within the same period, product innovations (n=14/47), manifested as design driven innovations (n=7/47) and architectural innovations (n=7/47), were also accentuated. In independently owned (n=9/14) and multi-sector group-owned (n=3/14) boutique hotels, emphasis was also attributed to process innovations

(n=10/47), specifically, digitization (n=6/47). In contrast, chain-owned boutique hotels (n=2/14) focused on marketing innovations (n=1/47), predominantly, innovations in advertising and branding (n=1/47). These innovation patterns, particularly the emphasis that hoteliers attributed to product and service innovations, illustrates the relevance of establishing a notably unique product and distinctive guest experiences in boutique hotels prior to launching.

During the operational phase, variances in the types of innovations (n=41/124) implemented in boutique were observed, with different ownership structures accentuating distinct forms of innovation. In this period, in independently owned boutique hotels (n=9/14), an equal amount of emphasis was attributed to both product (n=5/41) and service innovations (n=9/41), specifically, the introduction of new or improved services (n=7/41) and design driven innovations (n=3/41). This suggests a continued focus on improving the guest experience and ensuring servicescape novelty. In chain-owned boutique hotels (n=2/14), emphasis was attributed to marketing innovations (n=5/41), suggesting that these hotels attributed importance to maximizing their market reach. In multi-sector group-owned boutique hotels (n=3/14), process innovations (n=4/41) were prioritised, particularly eco-innovations (n=2/41), reflecting a commitment to sustainability and environmental responsibility.

During Covid-19, innovations (n=36/124) were only implemented in independently owned (n=9/14) and multi-sector group-owned boutique hotels (n=3/14), with these forms of innovation integrated to reflect the unique challenges of the pandemic. In these hotels, emphasis was predominantly placed on process innovations (n=27/36), specifically, digitization (n=9/36) and new or improved work methods (n=10/36). During this period,

digitization was necessary for boutique hotels to facilitate contactless interactions, thereby emphasising the safety of guests and operational consistency. In addition, new and improved work methods were relevant in this period for hotels to adapt to health regulations and resource constraints, e.g., layoffs.

4.7.3 Novelty of the Innovations Implemented in Boutique Hotels

Figure 4.16 Number of Incremental Versus Radical Innovations implemented in Boutique Hotels
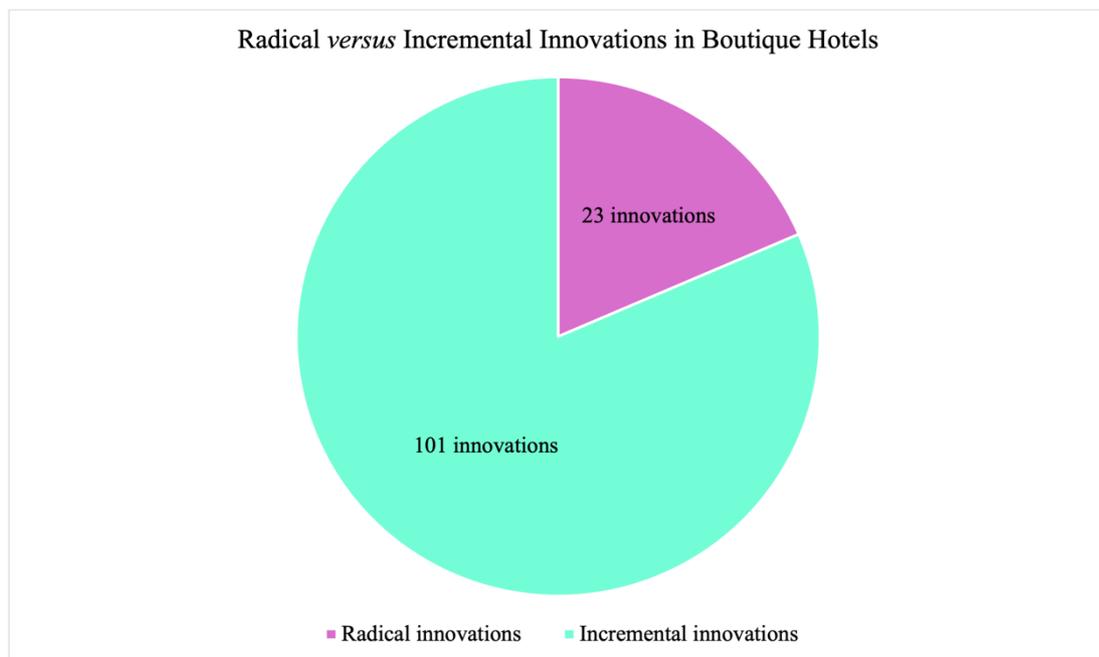
(Source: Author)

When exploring the number of innovations (n=124 innovations) implemented in boutique hotels (n=14/14 hotels) by their relative degrees of novelty, i.e., radical *versus* incremental, according to the criteria set forth in the methodology, Figure 4.16 above outlines that the majority, i.e., 101 out of 124, of the innovations discussed by BHMs (n=16/16) and BHOs (n=9/9), classified as incremental innovations.

Some of these innovations included, for example, using curated art to furnish the hotel (BH1), installing USB ports in rooms (BH7), establishing intimate communications with guests (BH1, BH4, BH5, BH7, BH9, BH11), implementing website updates (BH4, BH7), and replacing single use toiletries, i.e., shampoo and conditioner, with dispensers (BH1, BH11).

Only 23 innovations (n=23/124) classified as radical. Examples of these innovations included designing and fitting the hotel with unique furniture purchased from auctions (BH6), selling the art on display at the hotel (BH8), implementing smart energy systems and energy management systems (BH9, BH12), and digitizing the service provision through the implementation of intelligent systems (BH12, BH13). For a full list of innovations by ownership structure and degrees of novelty refer to Appendix W.

Figure 4.17 Incremental and Radical Innovations by Context
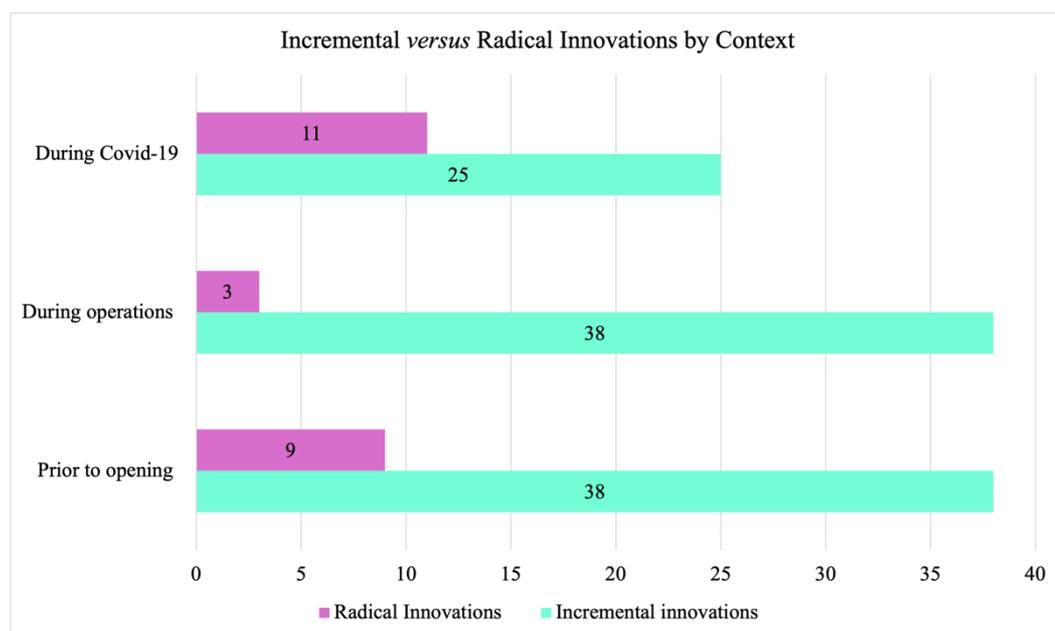
(Source: Author)

When exploring radical innovations (n=23/124) and incremental innovations (n=101/124) by context, Figure 4.17 above illustrates that although boutique hotels (n=14/14 hotels) primarily implemented incremental innovations (n=101/124) in each context, radical innovations (n=23/124) in boutique hotels were most prevalent prior to operations (n=9/23) and during Covid-19 (n=11/23). In part, the high levels of radical innovation in boutique hotels (n=6/14 hotels) during the developmental stage may be attributed to the nature of this process where, during this phase hoteliers generally invested significant financial resources into establishing accommodation provisions, with innovation often prioritized during this phase.

For example, BHO6.1 stated that, "obviously we had to do the whole thing up, redecorate it, so it was quite a big project. . . . we kind of worked on it for, I would say, at least two years". Likewise, BHM9.1 stated that:

> there is also innovation in energy, so, for example, even the way it was made up [hotel was developed], the hotel has these two heating boilers. Right now, for example, one of the issues hotels had with covid is that you have a boiling system for the whole hotel, obviously you will only use one or two floors because demand is low, you have to heat up the whole hotel, you spend all that electricity and all those costs, and you cannot, for example, switch off the heating equipment to save money. . . . so, with our hotel, luckily enough, the heating system works completely differently. It is like a boiler, an energy saving boiler which heats up depending on the demand of the rooms. (BHM9.1)

Similarly, BHO14.1 asserted that "we played a lot with the [hotel] plans, and it took us around I would say, a year and a half designing the plans, [and] going for permits for the conversion". Based on the nature of establishing accommodation provisions, which requires access to financial capital, and which concurrently demands a degree of foresight, where owners take decisions concerning the property and the services on offer, these factors may

have positively contributed towards the uptake of radical innovations during the developmental stage of boutique hotels.

During Covid-19, radical innovations (n=11/124) were developed and implemented by a handful of independently owned boutique hotels (n=2/9 hotels), and some group-owned boutique hotels (n=2/3 hotels). In part, these (radical) forms of innovation (n=11/124) seem to have been stimulated by the mental models of BHMs (n=1/16) and BHOs (n=2/9), their openness towards change, and the circumstances of the BHO (n=1/9 BHOs). For example, in the case of BH6, BHO6.1 relocated to another country, and thus, this influenced the BHO's decision to implement systems for the remote management of the hotel. In terms of BHO8.1 and BHO12.1, these BHOs displayed a high propensity towards change and risk. For example, BHO12.1 claimed that "it is a haemorrhage of money [covid]. . . . we re-financed everything. . . . I have to admit I remained creative and we still invested even though we were losing money". Likewise, BHO8.1, who had no prior experience in the industry stated that:

> I just wanted, sort of, to do all these different things, obviously because I came from the outside [different industry], I wanted to bring in a lot of change, a lot of innovation. . . . I think, in general, innovation is always a good thing. (BHO8.1)

The openness of these BHOs towards change may be one reason why these hotels (BH8, BH12) implemented higher rates of radical innovations during Covid-19.

Figure 4.18 Independently Owned Boutique Hotels: Incremental and Radical Innovations
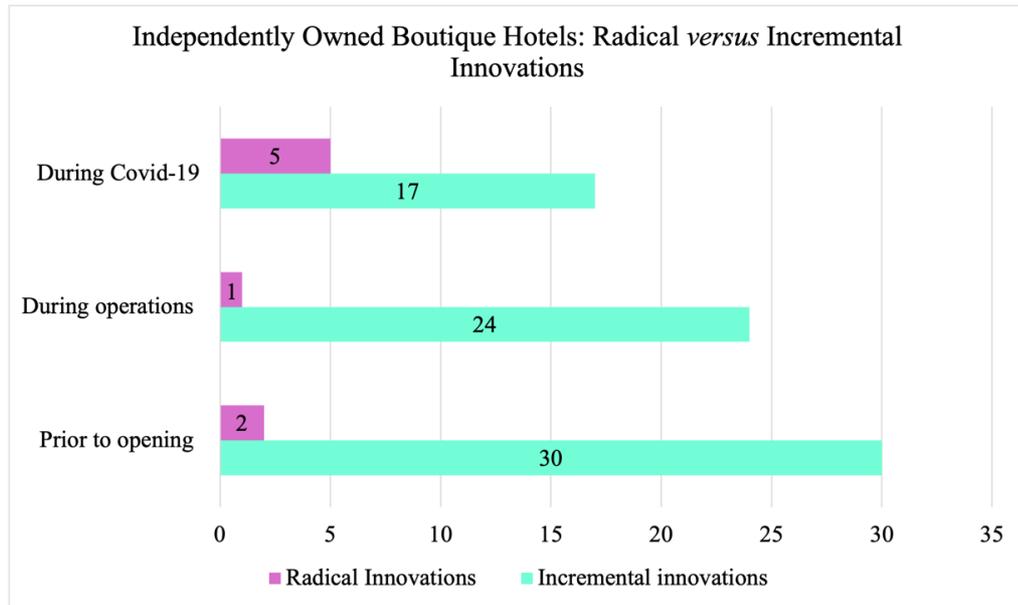
(Source: Author)

Figure 4.19 Chain-Owned Boutique Hotels: Incremental and Radical Innovations
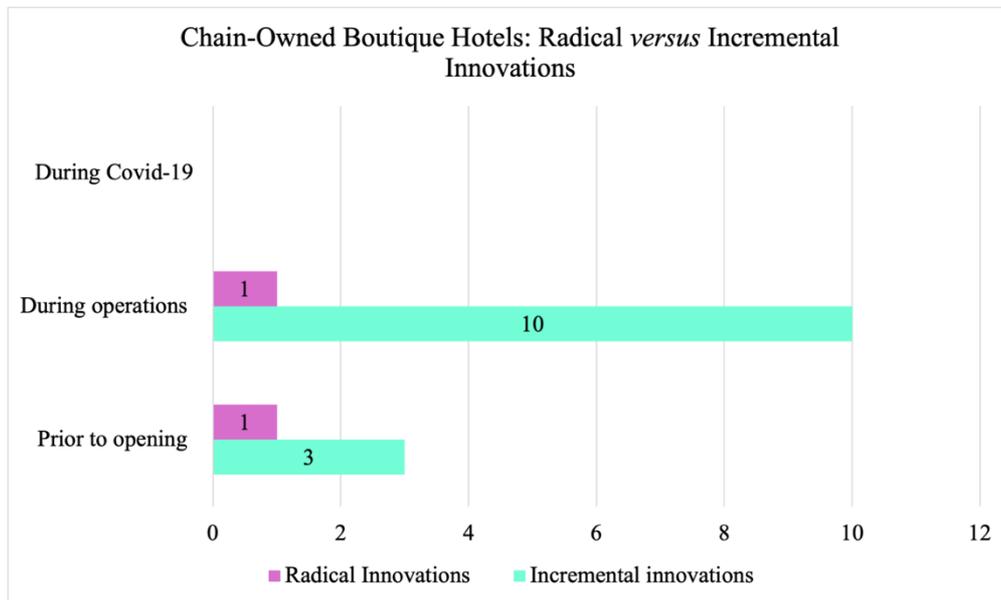
(Source: Author)

Figure 4.20 Multi-Sector Group-Owned Boutique Hotels: Incremental and Radical Innovations
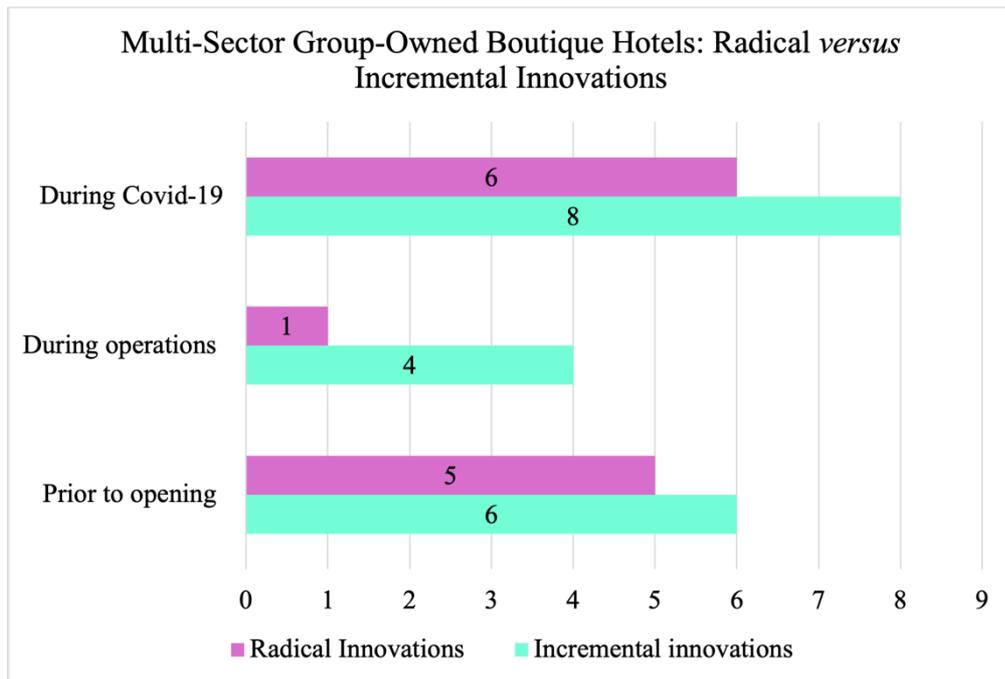
(Source: Author)

When exploring incremental and radical innovations by ownership structure and context, Figures 4.18, 4.19, and 4.20 above illustrate that multi-sector group-owned hotels (n=3/3 hotels) implemented the largest number of radical innovations (n=12/23 innovations), with these innovations peaking during Covid-19 (n=6/23 innovations).

On the other hand, radical innovations (n=2/23 innovations), and more so, innovations in general (n=15/124 innovations), in chain-owned boutique hotels (n=1/2 hotels) declined from the starting phase of each respective hotel (n=2/2 hotels), with innovations in these hotels ceasing during Covid-19.

In independently owned boutique hotels (n=2/9 hotels), the number of radical innovations implemented in the three contexts considered in this study seemed to fluctuate, however,

these forms of innovation (radical innovation) experienced a slight increase during Covid-19 (n=5/23 innovations).

When exploring why multi-sector group-owned boutique hotels (n=3/3 hotels,) comprised comparatively higher rates of radical innovations, two factors need to be considered. First, multi-sector group-owned boutique hotels (n=3/3 hotels) had access to varied knowledge bases, i.e., knowledge breadth, where, through board meetings (n=2 hotels, 67%) and cross-functional teams (n=1 hotel, 33%), these organizations purposefully brought together individuals with different specializations, competencies, and perspectives. For example, BHO14.1 stated that "we have board meetings. . . . we always keep an agenda item for ideas. It gives you 10 minutes to sit back and think, is there something we can do to improve what we have or innovate". Likewise, BHM14.1 stated that "we have board meetings with all involved. . . . and sometimes they [directors], you know, have some ideas about HR that worked in X [another company] that we could implement". Likewise, BHO12.1 stated that "so these squads [cross-functional teams] are a platform for people to self-regulate, to participate, to feel involved, and honestly, I am blown away by the ideas that come from employees". Knowledge breadth in these hotels seems to have contributed to the development of radical innovations by acting as a source of requisite variety, with these organizations comprising firm-level mechanisms for combining heterogeneous knowledge resources for the development of novel ideas.

Second, multi-sector group-owned boutique hotels (n=3/3 hotels) also implemented efforts to purposefully stimulate knowledge creation activities. For example, in BH14, the manager (BHM14.1) implemented an idea management system, with BHM14.1 having asserted that "all staff have access to [*sic*] a communication tool. . . . it has a section dedicated to ideas.

We have just started with this a month ago, and already some staff members have posted ideas on it". Similarly, in BH12, aside from dedicated cross-functional teams to assist managers ideate, during meetings, BHO12.1 discussed applying the six thinking hats to stimulate divergent thinking. According to BHO12.1:

> we come to meetings wearing the six thinking hats, or we rotate the six thinking hats. So that people don't come to meetings and say, 'I don't agree', as we used to have before. If we throw a controversial idea out there, we all discuss, we all put on, for example, 'the positive hat', and we say, 'let's see all the benefits, even if I disagree completely'. (BHO12.1)

Likewise, in BH13, BHO13.1 encouraged managers to suggest ideas, with BHO13.1 having stated that "in these meetings [with staff] I always emphasize, if you have an idea, as stupid as you think it is, it is not stupid, the world goes round on crazy ideas, please bring them forward". To further encourage idea generation among employees, BH13 also hosts dedicated awards to celebrate the most innovative ideas suggested by employees. Taken together, these initiatives aimed at catalysing divergent thinking, represent stimuli which seem to have positively contributed to the development of radical innovations.

Alternatively, the comparatively lower uptake of radical innovations in independently owned (n=9/9 hotels) and chain-owned (n=2/2 hotels) boutique hotels seemed to be influenced by several factors. First, as previously discussed, independently owned boutique hotels comprised limited access to financial resources, a concern raised by four BHMs (n=4/11) from independently owned boutique hotels. Similarly, three BHMs (n=3/11) and one BHO (n=1/5) from independently owned boutique hotels also discussed how the newness of the respective hotel establishments seemed to result in a propensity to prioritize maintenance over innovation.

In addition to these factors and counter to the decentralized structures adopted in multi-sector group-owned boutique hotels (n=3/3 hotels), which prioritized "empowerment" (BHO12.1), where "we [hotel] give a voice to everyone. . . . we have a very open-door policy" (BHM12.1), some BHOs (n=2/5) in a few independently owned (n=2/9 hotels) boutique hotels seemed to place emphasis on centralized control. For example, BHO6.1 stated that "I would say she [BHM6.1] manages the place well, but I would say the ideas are developed mainly by my husband". Likewise, BHO7.1 stated that:

> I like to think that, I mean, let's face it, I pretty much run the show here [in the hotel]. Whatever happens, happens because I decided it should happen like that. It's not really a democracy. It's a fact of life. (BHO7.1)

BHM6.1 stressed how all decisions in the hotel were subjected to the hotel owner's perspectives, with everything, from hotel operations, to complaints, to potential innovations, discussed with the owner. As a result, BHM6.1 discussed prioritizing daily operations over above innovation, with this respondent having stressed that "usually, I concentrate by prioritizing what is urgent and what can wait a bit, but daily I have a schedule of things that have to be done on that day". While centralized control seemed to impact innovation, in BH9, the copycat mentality prevalent in the tourism industry led to purposeful knowledge hiding behaviours. For example, BHM9.1 described how:

> sometimes I do not even discuss ideas with the hotel owner himself, I will try to keep the idea because if you discuss it a lot then they might take your idea, so you have to be a bit careful in this field. (BHM9.1)

Likewise, BHM9.1 also asserted that "if it [an idea] is very innovative, I won't discuss it for sure, if it [an idea] is something that is already in the market and we are going to tune it up

for ourselves, yes" and "even the way we market the hotel, the owner does not know how I market the hotel, I never told him and I am not going to tell him" (BHM9.1).

Last, a subsequent factor which may have negatively impacted the uptake of radical innovations in independently owned boutique hotels (n=9/9 hotels) is the number of respondents, specifically BHMs (n=11/11), with prior experience in the industry. According to several respondents, excess experience tends to lead to myopia and behavioural as well as cognitive rigidities.

For example, BHM8.1, when discussing BHO8.1, asserted that "he has never been in hospitality, so it is good because he has fresh eyes". Likewise, BHM1.1 stated that, "from my side I usually, I usually tend not to take people with much experience, simply because I always think that it is easier to write on an empty board, than to cancel and re-write". Tying these perspectives together, BHO11.1 asserted that, "okay experience is great, but, at the end of the day, sometimes experience has baggage you know? Because you come with your own old ideas". Combined, the issues discussed in the preceding section represent factors that seem to have contributed to both the declining rates of innovations in independently owned boutique hotels (n=9/9 hotels), and the subsequently limited number of radical innovations implemented in these hotels (n=9/9 hotels).

In chain-owned boutique hotels (n=2/2 hotels), three core factors seem to have negatively impacted the uptake of radical innovations in these organizations. First, in BH10, no financial resources were made available for innovation, with BHM10.1, who is mainly responsible for marketing, having asserted that "believe it or not, we have 0 budget for marketing, so everything I have done, I have managed to barter with companies". With no

financial support for marketing activities, BHM10.1 described feeling inspired to cultivate ideas, however, such ideas were also limited by the resources available for innovation. In BH11, aside from the negative impact of Covid-19 on idea generation, lack of prior knowledge in the sector resulted in the owners of BH11 dedicating a significant amount of time towards learning as opposed to innovation. In this respect BHO11.1 stated that "look, pre-Covid, X [other hotel owner] and I and even X, we go to [travel] fairs to try and learn, you know", "I mean hospitality was something that we did not really have experience in, so we [owners] had to learn a lot along the way, which was challenging", for example, "I had to learn about hospitality, about rates, about operations in hotels", and while active learning is beneficial for innovation activities in the long-term, in the short-term, it can inhibit innovation activities. For example, a respondent facing the same issue, i.e., BHO8.1, stated that:

> so, what I found out very quickly is out of every 10 ideas I had, 7 or 8 of them were shot down straight away, and in the beginning, I was sulking, and then with time you just kind of say 'okay, I understand'. Very often you might think that putting a plant in the room is a nice addition, but there might be operational issues that mean that doing that is not really a good idea. (BHO8.1)

Thus, while it appears that in independently owned boutique hotels too much industry-related experience hampered idea generation, in chain-owned boutique hotels, specifically in BH11, lack of prior experience resulted in having to dedicate excess energy and time towards learning as opposed to innovation. These factors combined, i.e., lack of access to financial resources, Covid-19, and prior experience, may explain why chain-owned boutique hotels (n=2/2 hotels) experienced a sudden drop in innovations during Covid-19, and why such hotels tend to prioritize incremental innovations over and above radical innovations.

4.7.4   Summary

Based on the results presented in the previous sections, a number of conclusions about the nature of the innovations implemented in boutique hotels in Valletta, Malta, may be drawn.

First, although the samples comprising this study are both ungeneralizable and disproportionate, which made it difficult to draw objective comparisons of innovation by ownership structure, the findings of this analysis outlined that overall, multi-sector group-owned boutique hotels comprised the highest rates of innovation. This finding was made evident when assessing the average number of innovations implemented in these hotels, with hoteliers implementing *circa* two to five innovations in these hotels per year. Second, these hotels implemented the largest number of radical innovations in all the three contexts considered in this study.

This analysis identified several factors that positively influenced the innovation performance of multi-sector group-owned boutique hotels, these are the positive disposition of managers and owners towards contexts of uncertainty, institutional structures for coordinated socialization, e.g., board meetings and cross functional teams, the prevalence of incentives to stimulate creativity and innovation, e.g., awards, and designated strategies to stimulate divergent thinking, e.g., applying the six thinking hats during meetings.

In contrast, independently owned and chain-owned boutique hotels comprised several barriers to innovation, including lack of access to financial resources, an inclination to prioritize maintenance over and above innovation, centralized owner control, knowledge

depth and, in the case of chain-owned boutique hotels, lack of access to relevant knowledge resources.

As a consequence, chain-owned boutique hotels possessed comparatively limited innovation capabilities, with these hotels, on average, implementing the least number of innovations throughout their lifecycle. Furthermore, chain-owned boutique hotels were the only type of hotel to cease all forms of innovation during Covid-19, while the rate of radical innovations in these hotels appeared to continually decline from their inception.

Irrelevant of ownership structure, boutique hotels prioritized innovations in processes and services, with most innovations implemented to digitize operations or to improve work methods. The innovation patterns adopted in boutique hotels appear to converge in two particular contexts, these are prior to launching the hotels on the market and during Covid-19. The results of this research illustrate that prior to operations, hoteliers tend to invest in developing notably different product offerings and in establishing distinctive guest experiences. During Covid-19, based on the constraints of the pandemic, process innovations were prioritized, specifically digitization. This suggests that contextual changes tend to bear some degree of influence over the types of innovations implemented in boutique hotels. During operations, divergences in the innovation patterns adopted in boutique hotels were noted, suggesting that market dynamics and ownership structures influence the innovation priorities in these enterprises. Based on these findings, ownership and context represented relevant antecedents of innovation, with both these factors found to influence the rate, the types, and the novelty of the innovations implemented in boutique hotels. Given the results presented in this Chapter, the following section advances a concluding discussion outlining the salient findings which emerged from this research.

4.8 Conclusion

Chapter 4 presented the results obtained from interviews with stakeholders, BHMs and BHOs, and the findings gathered from focus groups with boutique hotel customers. Based on the discussions advanced in this Chapter, several inferences about innovation in boutique hotels in Valletta, Malta, have been set forth.

First, Valletta represents a nascent tourist destination in Malta, with interest in the capital city gaining traction in 2012 following the uptake of several regeneration initiatives by the Maltese government. As a destination, Valletta's novelty is defined by its palaces, auberges, clusters of visitor attractions, its architectural value, and its status as a UNESCO World Heritage Site. With increasing financial investments funnelled into the city, 2016 bore witness to the evolution of the boutique hotel phenomenon, where *palazzi* were re-adapted for use as accommodation provisions. Within the matter of a few years, Valletta experienced an exponential supply of boutique hotels, leading to saturation in the market, price wars, and high degrees of competitive rivalry. In this context, innovation was considered "important because you have to stand out, you have to be different" (BHM2.1). As stressed by BHM10.1, "for us, the small hotels, it [innovation] is very important because you need to keep your guests super happy".

From the viewpoint of BHOs, BHMs, stakeholders and customers, innovation in boutique hotels was perceived to refer to an outcome, i.e., the by-product of creative efforts, and it was believed to occur in three dimensions, these are products, services, and processes. Based on the results of data collection, each of these innovation outcomes comprised contextually bound attributes. For example, product innovation referred to three sub-elements, these are

product differentiation, aesthetic individualism, and the adaptive re-use of heritage premises. Service innovation referred to the delivery of novel service experiences and personalized services. Process innovation inferred new ways of working, the digitization of operations and eco-innovation.

When exploring the micro-foundation practices comprising the innovation process in boutique hotels, nine knowledge-based processes were identified, these are:

- **Process 1:** Idea generation
- **Process 2**: Market research
- **Process 3**: Intra-organizational knowledge creation
- **Process 4**: Testing ideas
- **Process 5**: Decision-making
- **Process 6**: Knowledge assembly
- **Process 7**: Implementation
- **Process 8**: Knowledge sharing
- **Process 9**: Feedback post-innovation

Even though innovation constituted a 9-phase knowledge-based micro-foundation process, the number of processes deployed in boutique hotels to establish innovation outcomes was influenced by the varied ownership structures fostered in boutique hotels. In this regard, multi-sector group owned boutique hotels possessed the longest innovation cycle, with all nine processes implemented in these hotels. Independently owned boutique hotels implemented eight micro-foundation processes and chain-owned boutique hotels only implemented six micro-foundation processes to establish innovation outcomes.

In addition to these variances, high degrees of heterogeneity were noted in the micro-foundation processes used to transform knowledge resources into innovation outcomes, with several unique artifacts and diverging micro-level practices applied by BHOs and BHMs to create, leverage, and share knowledge for the development of innovation. Based on these results, from a micro-foundation perspective, numerous paths seem to be pursued in boutique hotels by both BHOs and BHMs to establish innovation outcomes, making this process particularly complex, idiosyncratic, and aligned to the principles of equifinality.

Evidence of knowledge-based dynamic capabilities were demonstrated in boutique hotels, with these organizations possessing institutional structures to:

- Identify and acquire external knowledge (acquisition capability)

- Combine intra-organizational knowledge (combinative capability)

- Assimilate proximate knowledge (assimilation capability)

- Transform distant knowledge (transformation capability)

- Exploit knowledge to establish innovation outcomes (exploitation capability)

By way of these capabilities, boutique hotels were able to systematically access external knowledge and capitalise on intra-organizational knowledge to identify innovation opportunities, they were able to understand and process expertise, knowledge, data, and information, and they were able to exploit knowledge to result in innovation outcomes.

Knowledge-based dynamic capabilities were most prevalent in multi-sector group-owned boutique hotels, where the large organisational structures and resources defining these organizations supported the development of institutional structures for routinised knowledge

reconfiguration practices. On the other hand, the smaller scale of independently owned and chain-owned boutique hotels seemed to limit the development of knowledge-based dynamic capabilities, with evidence of only absorptive capacity and assimilation capabilities observed. These findings suggest that in smaller boutique hotels, the innovation process is generally contingent on micro-foundation practices. Based on the results of the analysis, knowledge-based dynamic capabilities appear to be heterogeneously distributed in boutique hotels. In addition, the institutional structures applied to develop knowledge-based dynamic capabilities are idiosyncratic, this suggests that hotels develop and leverage these capabilities according to their resources, context, and strategic objectives.

In total, 124 innovations were implemented in boutique hotels, these were put into practice in:

1. Products
2. Services
3. Processes
4. Marketing
5. Revenue streams

Most innovations in boutique hotels were implemented in processes, primarily focusing on the digitization of operations and the introduction of new or improved work methods. This was followed by innovations in services and products. All boutique hotels implemented higher rates of incremental innovations than radical innovations. However, it is relevant to note that when narrowing-down the scope of analysis to consider innovations by ownership

structure, multi-sector group-owned boutique hotels displayed the highest propensity towards innovation.

The uptake of innovations in boutique hotels, especially in multi-sector group-owned boutique hotels, was facilitated by several factors, including firm-level mechanisms for coordinated socialization, incentives for innovation, e.g., awards, measures to stimulate divergent thinking, and decentralized organizational structures. On the other hand, several barriers to innovation were observed in independently owned and chain-owned boutique hotels, including lack of access to financial resources, excess knowledge depth, centralized owner control, and Covid-19.

Following the inception of independently owned and chain-owned boutique hotels, innovations in these accommodation provisions continually declined. Therefore, the uptake of innovations in these hotels seems to diminish over time. On the other hand, while the uptake of innovations in multi-sector group-owned boutique hotels varied, these hotels demonstrated the greatest resilience towards contextual changes, e.g., Covid-19.

Building on the results presented, the following Chapter illustrates how the findings set forth in this study complement and challenge the literature discussed in Chapter 2.

5   Discussion

5.1   Introduction

Chapter 5 contrasts the results set forth in this study with the findings presented by scholars in the literature, specifically, the literature discussed in Chapter 2. Therefore, the intention of this Chapter is to illustrate how the results presented in this study corroborate, challenge, or extend the literature.

5.2   Perceptions of Innovation in Boutique Hotels

This section contrasts the perceptions of customers, stakeholders, BHOs and BHMs on innovation in boutique hotels with the existing literature that defines innovation. The objective of this section is to demonstrate the extent to which the results of this research align with and diverge from the existing literature.

In boutique hotels, innovation was perceived to constitute an outcome, i.e., the by-product of creative efforts, that occurred in products, services, and processes. Product innovations symbolized product differentiation strategies, aesthetic individualism delivered through unique internal décor, and the architectural novelty of being situated in a heritage premises. Service innovations referred to heterogeneous service experiences and novel service delivery methods. Process innovations inferred improvements to processes *via* new work methods, the digitization of operations, and eco-innovations.

When contrasting the findings of this research with existing definitions of innovation (Baradarani & Kilic, 2018; Chen, 2011; Hernández-Perlines et al., 2019; Jacob et al., 2003; Li et al., 2022; Ottenbacher et al., 2012; Volo, 2006; Wikhamn et al., 2018), three specific attributes of innovation, consistent with the literature, were emphasised by respondents, these are innovation outcomes, value creation and novelty. These are discussed below.

In the tourism and hospitality management literature, most definitions of innovation refer to the types of outcomes derived from innovation. Commonly cited examples include the implementation of new or improved service (Li et al., 2022; Wikhamn et al., 2018), products (Hernández-Perlines et al., 2019; Wikhamn et al., 2018), processes, marketing strategies (Wikhamn et al., 2018), cost reduction strategies, reorganized intra-organizational structures, the introduction of new communication methods (Baradarani & Kilic., 2018) and enhanced service effectiveness (Chen, 2011). This research aligns with the broader literature on innovation in emphasising the relevance of innovation outcomes. The findings of this study demonstrate that to customers, BHOs, BHMs and stakeholders, innovation represents both the manifested efforts of creativity and a tangible outcome. These findings suggest that innovation in boutique hotels is most valued when it can be seen, measured and when it comprises some form of benefit for the respective recipient. It is relevant to note, however, that in contrast to the literature, where numerous types of innovation outcomes are referred to, in boutique hotels, emphasis was only attributed to three specific types of innovation. While this approach appears to be rather niche, the types of innovations discussed by respondents demonstrate how perceptions of innovation were influenced by the key elements of boutique hotels.

For example, to BHOs, product innovation inferred product differentiation, this has been described in the literature as an integral characteristic of boutique hotels, with these forms of accommodation defined as "daringly different" (Dev & Keller, 2014, p. 339), unique (Chang, 2010), individualised (Chang & Teo, 2009) and, as stressed by Strannegård and Strannegård (2012), averse to "everything standard" (p. 1997). Another key attribute of these lodging provisions cited in the literature is their unique servicescapes. For example, in Brazil, boutique hotels were designed to stimulate aesthetic escapism (Parolin & Boeing, 2019) and, in other studies, they have been described as stylish, dreamy and authentic (Loureiro et al., 2020; Parolin & Boeing, 2019). Due to the nonconformist nature of boutique hotels, these market offerings are generally developed based on "stylistic criteria, explicitly aestheticized and expressive" elements (Strannegård & Strannegård, 2012, p. 1997). Complimenting these studies, the respondents in this research, especially stakeholders and customers, perceived the aesthetic idiosyncrasy of boutique hotels to comprise a fundamental facet of product innovation. For example, S3 described boutique hotels as "chic", S1 described these hotels as "special", S5 attributed the aesthetic novelty of these hotels to their thematization, and S7 described how although "aesthetic is subjective, it is important". The architectural novelty of boutique hotels, identified in this study as another aspect of product innovation, has been cited in the literature as an essential characteristic of these provisions. For example, Chang (2010) described how boutique hotels allow guests escape to the past, Chang and Teo (2009) discussed how these hotels are linked to a country's history and culture, and Henderson (2011) discussed how these hotels tend to adopt "hip heritage themes" (p. 222). When considering the service innovations described by the respondents in this study, specifically, the reference respondents offered of heterogeneous service experiences and novel service delivery methods, these aspects of innovation also aligned with the literature on the characteristics of boutique hotels. For example, studies

have demonstrated that boutique hotels provide customers with authentic experiences (Ghaderi et al., 2020; Tritto, 2020), unique experiences and exclusive experiences (Parolin & Boeing, 2019). Likewise, the literature has demonstrated the relevance of intimate interactions between staff and guests in boutique hotels. In these hotels, staff have been described as warm, attentive, friendly, considerate, passionate, humanistic and professional (Qian et al., 2020; Truon et al., 2020). These results illustrate that the ways in which innovation is perceived in boutique hotels is path-dependent on the existing qualities and attributes of these lodging provisions, with these characteristics reinforcing and, at the same time, influencing how innovation is viewed. These findings also illustrate that although not directly linked to the key characteristics of boutique hotels, back-end innovations, such as process innovations, are also relevant. This suggest that operational efficiency in this context plays a key role in supporting the guest experience, whether this is through new work methods or eco-innovations.

When considering value, some definitions advanced in the literature suggest that innovations should provide some form of benefit or advantage. For example, Chen (2011) stressed that innovations should be "useful" (p. 64) and Gustafsson et al. (2020) proposed that innovations should create value for stakeholders. Helkkula et al. (2018) referred to cocreational value, and Den Hertog et al. (2010) discussed how innovations should "create value for the customer" (p. 494). Volo (2006) asserted that innovations should have "some effect, no matter how remotely, on the experience of the tourists" (p. 79).

In line with the literature (see, for example, Chen, 2011; Gustafsson et al., 2020; Volo, 2006), the participants in this study also considered value a relevant by-product of innovation. By way of example, for BHOs, innovation was necessitated to acquire strategic value *vis-à-vis*

competitive differentiation. For these respondents (BHOs), being different to rival boutique hotels through innovation was perceived to provide a basis to acquire a strong market position. This emerged as particularly relevant in a small destination such as Valletta, where "there is an epidemic of them [boutique hotels], wherever you turn there is a boutique hotel" (S8). The relevance of strategic value through competitive differentiation was supported by customers and stakeholders, who emphasised hedonic value, specifically, the novelty of lodging in re-adapted heritage buildings and idiosyncratic servicescapes. These observations support Pikkemaat and Peters's (2006) results that illustrated both the prevalence and importance of cosmetic changes in tourism organizations. These findings also substantiate Strannegård and Strannegård's (2012) claim that "the primary role of design is, in this context, to be a 'value adder' and communicator of the hotel's attitude and character" (p. 2002). For BHMs, innovation contributed to relational value *via* personalization. For these respondents, creating a family-feeling and forging friendships with guests contributed to the strategic value of the boutique hotel, with relational value used to stand out in the local market, where lodging provisions tend to accentuate service efficiency (Lai & Hitchcock, 2016). These results support Jones et al.'s (2013) claim that boutique hotels should offer intimate experiences. Moreover, these results align with Truong et al.'s (2020) findings that demonstrated how innovative humanistic cues in boutique hotels were essential to cultivating exceptional customer experiences. Similar to the authors' results, this research demonstrated that "being innovative in communication. . . [by] focusing on techniques that make customers feel comfortable and respectful" (Truong et al., 2020, p. 311), is necessary for competitive differentiation. The results of this analysis further demonstrate the interrelatedness between innovation and context, with value predominantly derived through exploiting the unique attributes of these hotels.

In the literature on innovation, reference to novelty tends to feature in definitions of this construct. For example, Li et al. (2022) cite "new service[s]" (p. 401), Baradarani and Kilic (2018) refer to "new ideas" (p. 901), and Chen (2011) discussed "novel and useful ideas" (p. 64). The results of this study address what constitutes novelty relative to whom (Johannessen et al., 2001). By drawing on the multiple perspectives of the different research participants in this study, novelty emerged as relative to the unique needs and diverse value drivers of the different groups of respondents in this research. For example, to BHMs, personalisation *vis-à-vis* being able to spend time interacting with customers was considered to constitute novelty. This can be attributed to the unique approach personnel in boutique hotels generally foster when interacting with customers, especially when contrasted with the approaches adopted in other accommodation provisions. For example, BHM14.1 stressed that:

> in the big hotels it is standard [scripting], 'welcome to ABC hotel, how can we be of service', it is very standardized. Over here, you know, feel free to walk around with the guest. . . . there is more personality. It is not scripted. (BHM14.1)

In this context, novelty involved cultivating relational value through intimate and personalised communications with guests. For BHOs, novelty constituted product differentiation and for customers, novelty was associated with unique servicescape attributes and the preservation of cultural heritage. For stakeholders, novelty was all-encompassing, and it referred to servicescape idiosyncrasy, personalization, and inimitable experiences. Based on these findings, novelty in boutique hotels appeared to be largely interrelated to the value respondents sought to attain through innovation and closely tied to the key characteristics of boutique hotels.

The results of this study have illustrated that innovation in boutique hotels is embedded in the key characteristics of these lodging provisions. The individuality, originality and identity of these hotels, which is founded on the principle of idiosyncrasy, has been observed to influence and determine how innovation is perceived in this particular context.

While this research aligns with the broader literature on three key attributes of innovation, a divergence between this study and the definitions of innovation in the literature (see, for example, Baradarani & Kilic, 2018; Chen, 2011; Hernández-Perlines et al., 2019; Jacob et al., 2003; Li et al., 2022; Ottenbacher et al., 2012; Volo, 2006; Wikhamn et al., 2018), pertains to the niche-focus of innovation in this study. Unlike the definitions in the literature, where five characteristics of innovation are generally referred to, these are ideation practices, implementation processes, novelty, innovation outcomes and value creation (see, for example, Baradarani & Kilic, 2018; Chen, 2011; Hernández-Perlines et al., 2019; Jacob et al., 2003; Li et al., 2022), the respondents in this study solely focused on three specific aspects of innovation. One possible interpretation of these results is that in boutique hotels the tangible outcomes derived through innovation activities are of considerable relevance to respondents. Therefore, manifested innovation efforts seem to be crucial to the participants in this study who sought novelty and value from innovations. A second interpretation of these results is that the competitive dynamics prevalent in Valletta command tangible innovations to attain competitive differentiation. Therefore, the respondents in this study may have prioritized innovation outcomes due to the fact that tangible innovations are likely to determine the success of boutique hotels.

Based on the discussions set forth in this section, this study has presented an enriched concept of innovation relative to boutique hotels. This research differs from traditional

conceptualizations of innovation in the tourism and hospitality management literature (see, for example, Baradarani & Kilic., 2018; Hernández-Perlines et al., 2019; Volo, 2006; Wikhamn et al., 2018) by presenting a nuanced and outcome-centric viewpoint of innovation based on the perspectives of BHOs, BHMs, stakeholders, and customers. The findings of this research have accentuated the role of context as a foundational element for gaining deeper insight into the nuances of different types of innovations within a particular sector. By way of this approach, the outcomes, the novelty and the value associated with innovations in boutique hotels, facets that are often reduced to mere categorical labels in the broader literature, have been extensively analysed and discussed.

5.3 Micro-Foundation Practices Applied in the Innovation Process of Boutique Hotels

This section contrasts the results on micro-foundation practices in boutique hotels with the literature on the innovation process. The scope of this section is to underscore the key similarities and divergences that were evident when contrasting the results of this analysis with the literature.

Based on the results of this study, innovation in boutique hotels comprised a six- to nine-phase knowledge-based process. This process was defined by high levels of heterogeneity, which was attributable to divergences in the micro-level practices adopted by BHOs and BHMs to transform knowledge resources into innovation. Ownership structures in boutique hotels were observed to influence the number of processes applied in the innovation process. Based on the three ownership structures considered in this research, multi-sector group-owned boutique hotels comprised the lengthiest innovation process, with nine knowledge-based micro-foundation process used to transform knowledge into innovation. This was followed by independently owned boutique hotels, where eight knowledge-based micro-foundation processes were implemented to transform knowledge into innovation. Chain-owned boutique hotels comprised the shortest innovation process, with six knowledge-based micro-foundation processed used to transform knowledge into innovation.

When contrasting the findings of this research with the innovation process models advanced in the literature (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Custódio Santos et

al., 2020; Hollebeek & Andreassen, 2018; Nordin & Hjalager, 2017; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009), a number of convergences and divergences were revealed.

Similar to the literature, where innovation is generally portrayed to comprises multiple processes, ranging from three processes (see, for example, Hollebeek & Andreassen, 2018; Toivonen & Tuominen, 2009) to five processes (Nonaka, 1994), in boutique hotels, the innovation process constituted between six- to nine-micro-foundation processes. This corroborates the extant literature by illustrating that innovation is the sum of numerous combined practices as opposed to a single event.

Moreover, consistent with the literature that emphasises the role of knowledge resources in the innovation process (see, for example, Amabile and Pratt, 2016; Galanakis, 2006; Tekic et al., 2011), this research illustrated that innovation in boutique hotels in Valletta, Malta, was contingent on combinations and recombinations of explicit and tacit knowledge resources. These observations support the knowledge literature, with knowledge resources observed to constitute "a pre-requisite for the innovation process to occur" (Quintane et al., 2011, p. 936). Consistent with Dean and Kretschmer's (2007) research, this study demonstrated that in boutique hotels "knowledge is itself being transformed while it is transforming production" (p. 585), thus, "knowledge and ideas grow and develop through use" (p. 588). In boutique hotels, this was evidenced when knowledge resources were enriched and adapted through market research, it was sometimes layered and refined through intra-organizational knowledge creation, and it were re-assessed depending on the outcome of testing practices. Likewise, in specific scenarios, knowledge was imported into hotels when gaps in the knowledge base were recognized, and knowledge was also re-refined when an implemented innovation was subject to assessment. In line with Quintane et al.'s (2011)

claim, "the knowledge that is created during the innovation process and that allows the process to be understood constitutes the essence of the innovation process and it defines the innovation as an outcome" (p. 938). In boutique hotels, knowledge resources and transformations to these resources, emerged as key factors necessary for the production of innovation. These results support the relevance of knowledge-based conceptualization of innovation (see, for example, Amabile and Pratt, 2016; Quintane et al., 2011).

In the literature, innovation process models (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Custódio Santos et al., 2020; Hollebeek & Andreassen, 2018; Nordin & Hjalager, 2017; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009) generally depict innovation to follow set processes. For example, in Nordin and Hjalager's (2017) model, IceHotel followed five key steps to attain innovation outcomes. In Amabile and Pratt's (2016) componential model, individuals and organizations are both conceptualized to adopt five processes to establish creative ideas and develop innovations. In Tidd and Bessant's (2014) innovation process model, organizations are believed to follow four key steps to establish innovation outcomes. Due to the fixed and deterministic structure of these models, any additional paths through which organisation can pursue innovation are not illustrated. This research, however, has demonstrated that both the number and the types of processes implemented in boutique hotels to transform knowledge resources into innovations vary. This suggests that multiple paths can be pursued to establish innovation outcomes. Based on these results, this research supports Toivonen and Tuominen's (2009) innovation process model, which demonstrated that innovation can be established through several different paths. This research has also demonstrated that, at the individual-level, BHOs and BHMs applied diverging artefacts and practices to execute innovation processes. These findings

suggest that the innovation process is context-specific, and it appears to be influenced by the unique needs, resources and ownership structure of boutique hotels.

The literature on the innovation process (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Custódio Santos et al., 2020; Hollebeek & Andreassen, 2018; Nordin & Hjalager, 2017; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009), tends to converge on four key processes, these are problem recognition practices, ideation processes, testing activities and implementation processes. Similar to the literature, these processes were observed in boutique hotels, however, nuanced differences set these processes apart from those described in the literature. These are discussed below.

The literature on the innovation process generally isolates problem recognition practices and ideation processes, leading to two distinct seps (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Hollebeek & Andreassen, 2018; Nordin & Hjalager, 2017; Tidd & Bessant, 2014). In the problem recognition phase, problems to be solved are identified, this is then followed by ideation, where numerous possible ideas are developed to solve the problem (Amabile & Pratt, 2016). In boutique hotels, however, the distinction between these processes was obscure, with ideation taking place through several stimuli in addition to problem recognition. A few examples of these stimuli included travel, discussions with hotel guests, discussions with family and friends, etc. These results demonstrate that in the particular context of boutique hotels, the creativity stage of the innovation process was omnipresent, complex, and able to manifest by way of 21 different stimuli. These findings corroborate two specific innovation process model in the literature. First, these findings align with Toivonen and Tuominen's (2009) R&D driven model, where the emergence of an idea marks the starting point of the innovation process, with this process occurring through "a

wide range of behaviours" (Toivonen & Tuominen, 2009, p. 894). Similar to the authors' findings, in boutique hotels, "many ideas came from daily business activities and from the interaction with customers and partners" (Toivonen & Tuominen, 2009, p. 894). Second, in line with Nonaka's (1994) *Dynamic Theory or Organizational Knowledge Creation*, social interactions, hands-on experience, and building one's own personal perspectives represented fundamental building blocks of innovation. These results demonstrate that in boutique hotels, an inextricable link between problem recognition practices and ideation activities exists. These findings suggest that although problems may be used as a basis for identifying new ideas, ideation may also lead to the identification of unnoticed issues in the organization and opportunities for innovation. Therefore, these two phases emerged as intertwined in the context of boutique hotels.

When considering the stimuli responsible for catalysing ideation practices, some divergences between the results in this study and the literature emerged. First, this research did not find any evidence of situations where BHOs and BHMs implemented an idea and then retrospectively searched for this idea. This is counter to Toivonen and Tuominen's (2009) practice-driven model, where services were developed in real-time together with clients. In addition, although Nordin and Hjalager's (2017) findings illustrated that ideation activities in Icehotel were contingent on learning-by-doing, practical applications, collaborations with network actors and customers, partnerships and trial-and-error learning, in boutique hotels, ideation was stimulated by interactions with guests, colleagues and other boutique hotels, online reviews, travel, and prior knowledge. In these hotels, ideation *via* trial-and-error learning and partnerships were not identified. Therefore, in contrast to Icehotel, where experiential learning, collaborative efforts and iterative experimentation typified ideation, boutique hotels demonstrated a greater reliance on interaction-based and

feedback-driven strategies for ideation. As a result, ideation cues in these two contexts seem to necessitate diverging strategies.

Following ideation, a number of innovation process models illustrate that ideas are subject to testing (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Custódio Santos et al., 2020; Hollebeek & Andreassen, 2018). In this research, testing only occurred in one independently owned boutique hotel and two group-owned boutique hotels, making this process sparsely adopted in the sample. The low uptake of testing practices in boutique hotels is likely due to the types of innovations implemented in these establishments, with innovations being largely incremental, new to the organization and already available on the market. Moreover, due the nature of innovations in this sector, in hotels where testing practices were implemented, these involved soft launches of the respective innovations. These results do not resemble those set forth by Cooper (2008), where the author emphasized testing *via* prototypes. One reason for this is that Cooper's (2008) stage-gate model was predominantly developed for application in product-oriented organisations. It is relevant to note that in boutique hotels, during the testing phase, customers were not involved in co-designing solutions, this challenges Hollebeek and Andreassen's (2018) model of innovation, which positioned customers as central to testing activities. This finding challenges the underpinnings of service-dominant logic applied by the authors (Hollebeek & Andreassen, 2018). The results of this analysis suggests that customer involvement in the innovation process of boutique hotels may not be as integral as service-dominant logic posits. Therefore, in the particular context of boutique hotels, the founding principles of service-dominant logic seem to lack pertinence. This research supplements Nordin and Hjalager's (2017) findings by illustrating that testing practices are performed in a paucity of

accommodation provisions, this broadens the number of micro-foundation practices typically accounted for when exploring innovation in accommodation provisions.

When contrasting the results of this research with the conceptual model (Figure 2.3) proposed in the Chapter 2, a few divergences and convergences were observed. First, in contrast to the conceptual model advanced in the Literature Review Chapter, where only six knowledge-based micro-foundation processes were accounted for, the empirical results illustrate that innovation in boutique hotels ranged from six- to nine-processes. The processes omitted from the conceptual model included market research, testing ideas, decision-making, and feedback post-innovation. Moreover, the sequence in which micro-level processes were expected diverged when contrasted with the empirical results. In this respect, market research occurred before the externalization of tacit knowledge. Ideas were tested after knowledge creation activities and the implementation of ideas occurred before knowledge sharing. Last, innovation activities did not cease following the implementation of an innovation. These results suggest that although conceptual models serve as a sufficient basis to combine and unify extant knowledge within a field (Fried, 2020), they merely represent a testable corpus of hypothesized insights. Therefore, conceptual models represent a starting point for scholars to extend, challenge, or add layers of nuance to pre-established works.

The findings set forth in this research demonstrate that numerous trajectories can be pursued in boutique hotels to attain innovation, making this a highly complex process. This research has presented the innovation process from an in-depth and micro-foundation perspective, providing layers of nuance to established innovation process models (see, for example, Nordin & Hjalager, 2017). It has also demonstrated how knowledge is operationalized and

exploited through various artifacts, mediums and actions to attain innovation outcomes. This research has illustrated that micro-level activities including, for example, ideation, market research, intra-organizational knowledge creation and decision-making, often diverge, and although the same end state is eventually attained in all boutique hotels, the means and practices used to achieve innovation are generally idiosyncratic. By way of these idiosyncrasies and through assessing micro-foundation practices, this research has provided a nuanced blueprint of the possible paths through which innovation may be established.

5.4 Knowledge-Based Dynamic Capabilities in Boutique Hotels

This section contrasts the knowledge-based dynamic capabilities (KBDCs) identified in boutique hotels with those discussed in the broader literature in tourism and hospitality management. The objective of this section is to assess the extent to which the results of this research corroborate and challenge the extant literature on KBDCs.

In boutique hotels in Valletta, Malta, five KBDCs were identified, these are acquisition capabilities, combinative capabilities, assimilation capabilities, transformation capabilities, and exploitation capabilities. Ownership structures in boutique hotels were revealed to affect the development of KBDCs for innovation, with larger organizational structures revealed to be more conducive towards firm-level KBDCs than smaller organizational structures. As a result, independently owned and chain-owned boutique hotels only comprised the acquisition capability, with these hotels consisting of routines to source external knowledge. On the other hand, multi-sector group-owned boutique hotels demonstrated evidence of five KBDCs.

When contrasting the results of this research with the literature on KBDCs in tourism and hospitality organisations (see, for example, Binder, 2020; Chang et al., 2018; Gürlek, 2021; Nieves et al., 2014; Sa et al., 2020; Santos-Vijande et al., 2018; Shamim et al., 2021; Tang et al., 2015; Thomas & Wood, 2014), a number of convergences and divergences were observed.

Studies in the tourism and hospitality management literature have demonstrated the relevance of the acquisition capability for innovation (see, for example, Binder, 2020; Pace,

2016; Thomas & Wood, 2014). This study supports the literature by demonstrating that in most boutique hotels (n=12/14 hotels), irrelevant of ownership structure, acquisition capabilities contributed to innovation by providing a framework to assess customer needs, market trends and competitors. This research, however, extends the literature by demonstrating that ownership structures in boutique hotels influenced the types of routines established to access external knowledge. By way of example, independently owned (n=7/9 hotels) and chain-owned boutique hotels (n=2/2 hotels), predominantly depended on networking and market research routines to identify areas for improvement, best practices and to co-develop solutions. These results support Binder (2020), Pace (2016) and Thomas and Wood's (2014) research that accentuated the relevance of relational sources for innovation. In these hotels, emphasis was also attributed to acquiring knowledge from customers *via* standard operating procedures for the collection of feedback, with customer feedback used to facilitate ideation. These results are consistent with Sørensen and Jensen's (2015) and Santos-Vijande et al.'s (2018) research, which illustrated that feedback from guests provided hoteliers with a platform to learn from the preferences voiced by customers and to co-create customer-centric solutions. On the other hand, multi-sector group-owned boutique hotels employed a different strategy to access external knowledge, specifically, in these forms of accommodation, sophisticated technologies were implemented to methodically assess customer behaviours, market trends, and hotel performance relative to competitors. These results are consisted with Shamim et al.'s (2021) findings, which illustrated that in hotels in Pakistan, big data exerted a positive impact on innovation. One reason that can explain the marked difference in the routines employed by boutique hotels to develop the acquisition capability is that ownership structures and access to resources influence the nature of these capabilities. In smaller hotels, including independently owned and chain-owned boutique hotels, the acquisition capability was largely contingent on the

exploitation of relational ties, this is both a flexible and inexpensive method to acquire knowledge. In contrast, in larger hotels, specifically, multi-sector group-owned boutique hotels, where financial resources were greater, sophisticated technologies were afforded. These results demonstrate that in boutique hotels, the specific institutional structures applied to cultivate the acquisition capability were partly determined by the resources an organisation has access to.

The literature in tourism and hospitality management has demonstrated that combinative capabilities positively contribute to organizational performance and innovation (see, for example, Sa et al., 2020; Tang et al., 2015; Than & Tran, 2023). This research, similar to Thanh and Tran's (2023), Tang et al.'s (2015) and Sa et al.'s (2020) analyses, demonstrated that knowledge sharing among peers and, notably, the capacity of personnel in boutique hotels to coordinate, integrate, combine and exploit intra-organizational knowledge resources, was fundamental to both creativity and innovation in multi-sector group-owned boutique hotels. It is relevant to note that no evidence of this capability was observed in independently owned and chain-owned boutique hotels. Thus, this particular capability seems to be influenced by the size of an organisation. This likely stems from multi-sector group-owned boutique hotels having access to larger workforces, where knowledge integration and communication are integral to operational coordination and improvement. In addition, the shift nature of work in hotels and the inexistence of boards of directors in independently owned and chain-owned boutique hotels seems to have impeded these particular accommodation provisions from establishing this capability. This research builds on prior studies that adopt a positivist approach (see, for example, Sa et al., 2020; Thanh & Tran, 2023) by demonstrating the particular routines cultivated in boutique hotels to

coordinate, integrate and exploit intra-organizational knowledge resources. These are cross-functional teams, intranets and board meetings.

Research on assimilation capabilities in tourism enterprises underscores the relevance of training practices in facilitating organizational learning (see, for example, Chang et al., 2018; Gürlek, 2021). For example, Chang et al.'s (2018) analysis of front-line employees in hotels located in China revealed that continuous training increased absorptive capacity and positively impacted innovation capabilities. Gürlek's (2021) research of personnel in hotels situated in Turkey revealed that extensive training programs, reward systems and selective staffing, positively impacted exploitative and exploratory innovations. This research aligns with these studies by demonstrating that human resource (HR) practices, specifically, training and development programs, facilitated sensemaking and learning in multi-sector group-owned boutique hotels. By drawing on the relationship between KBDCs and ownership structures in boutique hotels, this research illustrates how the development of assimilation capabilities is contingent on access to specialized competencies, particularly personnel skilled in promoting employee learning, development and management. This can explain why only multi-sector group-owned boutique hotels comprised the assimilation capability. It is relevant to note that in addition to HR practices, this research demonstrated that assimilation capabilities in boutique hotels were also established through analytical studies, with feasibility studies, customer journey mapping and other forms of analysis revealed to support BHOs and BHMs understand product lifecycles, market preferences and the drawbacks or benefits of ideas. Therefore, these analyses provided a framework for respondents to collect, interpret and assess ideas. Based on these results, assimilation capabilities in boutique hotels were established by way of two different institutional routines,

these findings extend Chang et al.'s (2018) and Gürlek's (2021) findings on assimilation capabilities that illustrated how assimilation predominantly occurred *via* HR practices.

Although assimilation capabilities are documented in the literature (see, for example, Chang et al., 2018; Gürlek, 2021), limited evidence has been set forth of transformation capabilities in tourism enterprises. This research demonstrated that in multi-sector group-owned boutique hotels, understanding novel knowledge necessitated access to external competencies, which were acquired by way of outsourced training or the recruitment of personnel in possession of specialized competences. These practices illustrate that different capabilities and strategies are required depending on the complexity and novelty of knowledge. Moreover, since transformation capabilities were observed exclusively in multi-sector group-owned boutique hotels and, considering that independently owned and chain-owned hotels lacked specific individual- and firm-level practices to assimilate novel and complex knowledge, these results suggest that smaller organisation may be at a comparative disadvantage. Void of practices to assimilate complex and novel knowledge, these enterprises may struggle to leverage advancements that could drive competitivity. Moreover, this finding can partly explain the prevalence of incremental innovations in smaller boutique hotels. Without designated strategies to assimilate novel knowledge, these enterprises risk falling behind in a rapidly evolving and highly competitive sector.

In the literature, analyses have illustrated that network participation positively influences exploitation capabilities (Binder, 2020) and other studies have demonstrated that this capability tends to be contingent on the ability of personnel in organisations to recognize the value of an innovation (Pace, 2016). In line with Pace's (2016) research, this study demonstrated that the capacity of boutique hotels to commercially utilize and exploit

knowledge was contingent on the outcome of assimilation and transformation activities, with these practices generally used to determine the viability of an innovation. In the particular context of boutique hotels, an interrelationship between assimilation/transformation capabilities and exploitation capabilities was observed, with the learning resulting from assimilation/transformation practices found to influence the uptake of an innovation. Therefore, in boutique hotels there was an inextricable link between these two capabilities, with assimilation and transformation capabilities acting as gatekeepers for innovation outcomes. This is a particularly relevant finding as it extends Zahra and George's (2002) model by demonstrating the synergies present between different firm-level capabilities.

When contrasting the results of this research with the conceptual model proposed in Chapter 2, some differences were noted. First, combinative capabilities were predominantly established through idea generation practices and knowledge creation processes, this capability was not established through knowledge capture, knowledge assembly and knowledge sharing processes as conceptualized. Likewise, although assimilation/transformation capabilities were conceptualized to occur through knowledge creation practices, this research revealed that these capabilities also manifested through market research and knowledge assembly processes. Based on the results of this research, Figure 5.1 below presents an updated model of KBDCs in boutique hotels. The intention of this model is to present an empirically grounded overview of KBDCs in the situated context of boutique hotels, demonstrating the mechanisms through which KBDCs are established in these enterprises.

Figure 5.1 KBDC in Boutique Hotels that Result in Innovation Outcomes
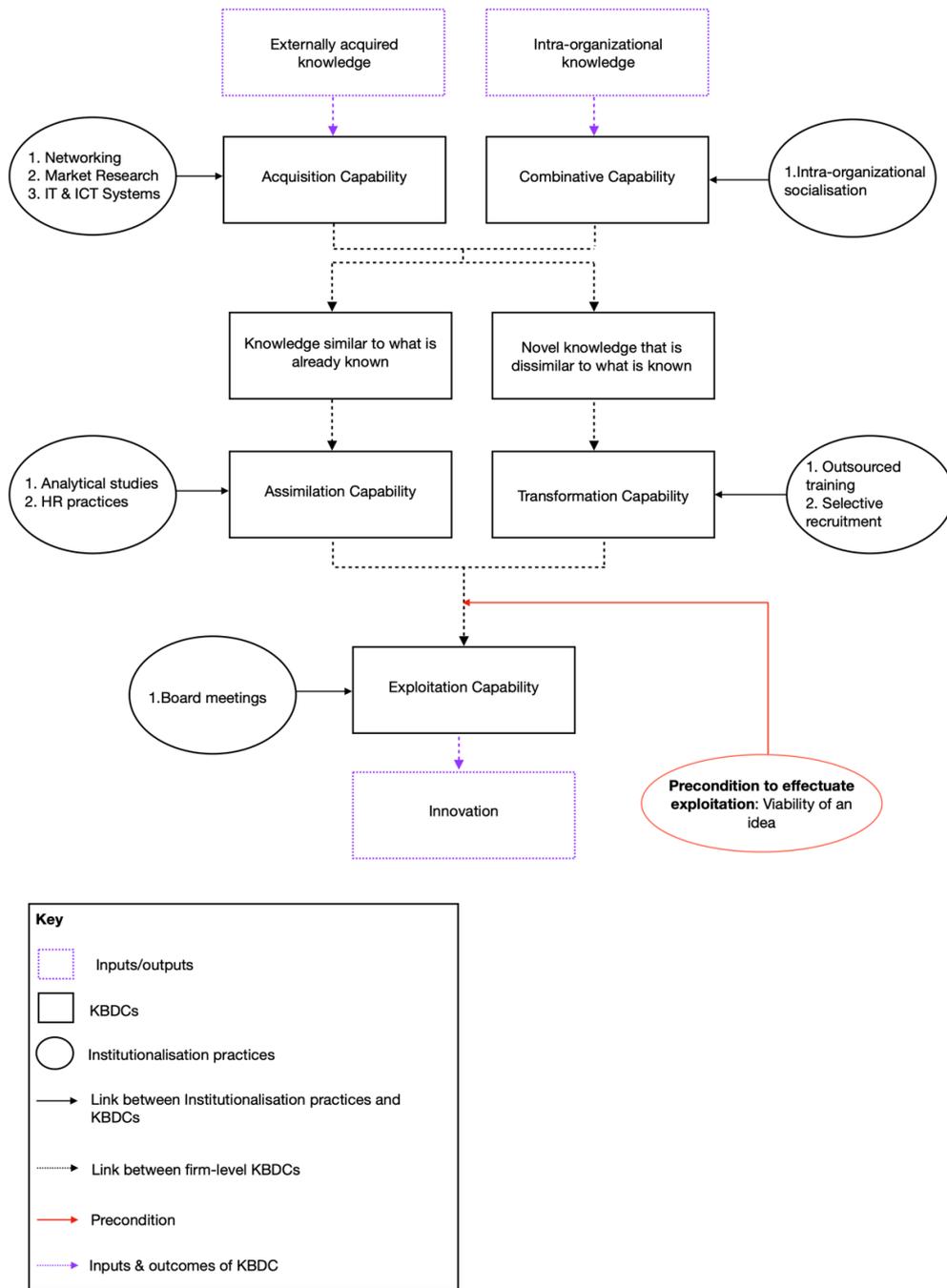
(Source: Author)

This discussion has demonstrated that the results of this study are consistent with the broader literature on absorptive capacity and combinative capabilities. In this respect, this research supports the literature on absorptive capacity by demonstrating that acquisition capabilities were necessitated in boutique hotels to explore customer needs, market trends and competitors (see, for example, Binder, 2020; Pace, 2016; Thomas & Wood, 2014). Likewise, this research has illustrated that combinative capabilities were cultivated in boutique hotels to exploit intra-organizational knowledge resources (see, for example, Sa et al., 2020; Tang et al., 2015; Than & Tran, 2023). This study also demonstrated that, consistent with the literature (see, for example, Chang et al., 2018; Gürlek, 2021), assimilation and transformation capabilities were required in boutique hotels to comprehend the nature of an innovation, and, similar to Pace's (2016) research, this also study demonstrated that exploitation capabilities were contingent on the outcome of assimilation or transformation practices.

By assessing the relationship between KBDCs and ownership structures, this study extends the literature by illustrating that KBDCs in boutique hotels were partly determined by the size of these enterprises, with these capabilities emerging as prevalent in larger organizational structures, i.e., multi-sector group-owned boutique hotels. This finding was unanticipated in chain-owned boutique hotels, where it was assumed that the larger size and organizational structures adopted in these enterprises would facilitate capability development. On the other hand, the results of this research demonstrated that the chain-owned boutique hotels comprising this study faced similar limitations when establishing KBDCs as those experienced in independently owned boutique hotels. These insights suggest that chain-owned boutique hotels, despite their larger size when constated with independently owned boutique hotels, faced unique structural challenges that limited the

development of KBDCs. In part, this could be due to the centralized structures established in these organizations, which prioritized learning over and above innovation (BH11). Another factor that can possibly explain why KBDCs were difficult to establish in chain-owned boutique hotels is that orchestrating and operationalizing capabilities across multiple properties can be challenging as, often, resources in these enterprises tend to be distributed across the entire chain of hotels, making it more difficult to cultivate KBDCs individually in each hotel. These results partly address Bindra et al.'s (2023) critique that most studies exploring KBDCs occur in larger or multi-national organizations. One reason that can explain the prevalence of KBDCs in larger organizations is that firm-level capabilities seem to necessitate certain preconditions to develop, for example, access to a large workforce, specialized competencies and finances. In this respect, smaller organizations, especially boutique hotels, tend to be limited in their abilities to establish these capabilities. Furthermore, it is relevant to note that although evidence of five KBDCs was observed in multi-sector group-owned boutique hotels, independently owned and chain-owned boutique hotels possessed the acquisition capability. This is relevant as it underscores the value that smaller hotels place on the acquisition of external knowledge (Cohen & Levinthal, 1990). It is also, however, pertinent to note that while external knowledge can contribute to ideation and innovation, in smaller organizations, knowledge acquired from the external environment can only be exploited if it is similar to what is already known. Thus, void of transformation capabilities, these organizations are limited in their capacity to understand and yield commercial value from complex knowledge.

The results of this research demonstrate the multi-level nature of innovation practices in multi-sector group-owned boutique hotels. These findings suggest that innovation consists of a complex interplay between individual-level actions and firm-level processes designated

to coordinate, integrate, and exploit knowledge. To cultivate KBDCs, institutionalization practices were implemented to ensure that micro-level practices were sequentially executed by individuals, giving rise to firm-level capabilities. This study has also demonstrated that although absorptive capacity is a valuable theoretical lens to explore external knowledge acquisition and exploitation, on its own, this framework is unable to provide a holistic explanation of the innovation process. To explore innovation at the firm-level from a holistic perspective, this requires the integration of combinative capabilities into the absorptive capacity framework. Moreover, this research has also demonstrated that although Zahra and George (2002) portray each element in the absorptive capacity framework as isolated, certain synergies between these capabilities exist. In particular, this research demonstrated that assimilation and transformation practices acted as a linchpin for exploitation capabilities.

5.5 Characteristics of Innovation in Boutique Hotels

This section compares the literature on the characteristics of innovation in tourism and hospitality organizations with the results of this study. The aim of this section is to demonstrate the degree to which the results of this research validate and challenge the existing body of knowledge on the characteristics of innovation.

Based on the results obtained in this study, BHOs and BHMs described implementing 124 innovations. On average, one to two innovations were implemented per year in boutique hotels. This was followed by boutique hotels where three to four innovations were implemented annually. The rate and the novelty of the innovations implemented in boutique hotels were influenced by both ownership structure and contextual changes. The majority of the innovations implemented in boutique hotels were process innovations (n=54/124 innovations), service innovations (n=31/124 innovations) and product innovations (n=21/124 innovations). A substantial proportion of the innovations reported by BHOs and BHMs were incremental (n=101/124 innovations). The most prevalent barriers to innovation in boutique hotels included lack of access to financial resources, myopic thinking resulting from experience in the field and mimicry.

When contrasting the results of this study with the literature (see, for example, Backman et al., 2017; Elshaer & Marzouk, 2022; Jacob et al., 2003; Krizaj et al., 2014; Orfila-Sintes et al., 2005; Panfiluk, 2021; Pikkemaat & Peters, 2006), a number of convergences and divergences were noted.

Research on the rate of innovation in tourism and hospitality organisations has yielded varied results. For example, both Jacob et al.'s (2003) and Backman et al.'s (2017) analyses demonstrated that hospitality organizations implemented continuous innovations. Other studies, however, have illustrated that innovations in this sector tend to be ad hoc, with these enterprises implementing approximately one innovation per year (see, for example, Krizaj et al., 2014; Orfila-Sintes et al., 2005). This research demonstrated that, per year, most boutique hotels (n=9/14 hotels) in Valletta, Malta, implemented between one to two innovations. This was followed by boutique hotels (n=3/14) where three to four innovations per year were implemented. These results support both Backman et al.'s (2017) and Jacob et al. (2003) analyses, as well as the findings presented by Krizaj et al. (2014) and Orfila-Sintes et al. (2005). In this respect, this research illustrated that although certain boutique hotels appear to actively search for new ways to renew and augment their products, services, processes, etc., other boutique hotels (n=5/14 hotels), tend to adopt an ad hoc approach towards innovation.

It is relevant to note that organizational size, ownership structure and contextual factors were observed to influence the uptake of innovation in boutique hotels. By way of example, in independently owned boutique hotels, 88% of which classified as micro-enterprises, innovation experienced a continual decline from the launch of each hotel. On the other hand, SMEs, including chain-owned boutique hotels, experienced the largest uptake of innovation during operations, while multi-sector group-owned boutique hotels experienced a peak in innovation during Covid-19. The impact of organisational size on innovation in boutique hotels aligns with the research of Pikkemaat and Peters (2006), Backman et al. (2017) and Orfila-Sintes and Mattsson (2009), with these studies having presented evidence to demonstrate the positive relationship between firm size and innovation. Consistent with

these studies, this research demonstrated that multi-sector group-owned boutique hotels implemented between two to five innovations annually, suggesting an ongoing innovation cycle. This was supported by the fact that these enterprises comprised KBDCs for innovation. Moreover, innovations in these hotels were supported by specialized competencies, knowledge depth and knowledge breadth, incentives for innovation, and access to resources. This research also demonstrated that resource-rich organizations, in this case multi-sector group-owned boutique hotels, were more adept towards absorbing risk. This was exemplified by multi-sector group-owned boutique hotels during Covid-19, with innovations in these enterprises peaking during this context.

The results of this research extend Wikhamn et al.'s (2018) analysis by demonstrating that innovations in chain-owned boutique hotels in Valletta, Malta, were negatively impacted by three key factors, these are Covid-19, limited access to financial resources and lack of industry knowledge. Alternatively, the results of this analysis challenge Vila et al.'s (2012) findings that demonstrated high rates of innovation in chain-owned hotels. In part, this contradictory finding can be attributed to the fact that the chain-owned boutique hotels in this study did not comprise R&D departments, whole departments devoted to innovation and formalized processes for innovation. These characteristics, however, were prevalent in multi-sector group-owned boutique hotels, where the uptake of innovation was greater. Moreover, the findings presented in this research challenge those of Rodríguez-Victoria et al.'s (2017), with the authors' research having revealed that ownership structure did not impact innovation. By drawing on the three ownership structures considered in this research, the findings of this analysis demonstrated that ownership influenced both the uptake and the degrees of novelty of the innovations implemented in boutique hotels.

When considering the types of innovations implemented in boutique hotels, the findings in this research correspond with the literature, where numerous studies have provided evidence to corroborate the prevalence of process, product and service innovations in accommodation provisions (see, for example, Elshaer & Marzouk, 2022; Jacob et al., 2003; Krizaj et al., 2014; Panfiluk, 2021; Tejada & Moreno, 2013; Wikhamn et al., 2018). Based on these observations, some inferences about the nature of the innovations implemented in hotels and, more so, in boutique hotels, can be drawn. First, the emphasis boutique hoteliers attributed to product and service innovations indicates the value of customer-centric innovations in these contexts. Likewise, the emphasis respondents placed on process innovations underscores the practicality of executing tasks in an efficient manner, streamlining operations, and improving services *via*, for example, automation. Moreover, these findings highlight high degrees of alignment between the results of RQ1 and RQ4. In this respect, boutique hoteliers in Valletta, Malta, seem to prioritise innovations relative to the key attributes of boutique hotels, with these attributes revealed to influence the perceived meaning innovation in this context. Therefore, it appears that boutique hoteliers have nurtured a market-oriented approach towards innovation by emphasising innovations that exert a direct impact on customers and stakeholders.

When considering the degrees of novelty of the innovations implemented in boutique hotels, the results of this research revealed that most of the innovations (n=101/124 innovations) put into practice in boutique hotels were minor improvements or subtle changes and, therefore, constituted incremental innovations. These results are similar to those presented in the literature (see, for example, Binder et al., 2016; Booyens & Rogerson, 2016; Kallmuenzer, 2018; Nordli, 2017; Orfila-Sintes et al., 2005; Panfiluk, 2021; Pikkemaat & Peters, 2006; Stojcic et al., 2019; Wikhamn et al., 2018).

The prevalence of incremental innovations in boutique hotels was influenced by two key factors. First, a central barrier to innovation, especially in independently owned and chain-owned boutique hotels, was lack of access to financial capital. This finding supports several studies set forth in the literature that have demonstrated the negative impacts of scarce financial resources on innovation (see, for example, Jacob et al., 2003; Jasinskas & Majauskienė, 2016; Montalvan-Burbano et al., 2019).

Second, this research demonstrated that imitative forms of innovation were prevalent in boutique hotels, with 50 out of the 124 innovations described by BHOs and BHMs observed in multiple boutique hotels in the sample. This finding substantiates several studies in the literature that have demonstrated evidence of free riding in the tourism and hospitality sector (see, for example, Hjalager, 2002, 2010, 2015; Montresor, 2018; Nieves et al., 2014; Ottenbacher et al., 2012; Ziyae et al., 2022). In this study, mimicry was observed to occur through, for example, travel, observing competitors, reading competitor reviews and relying on prior knowledge as a basis to replicate previously executed innovations. As one boutique hotel manager remarked, "so, going around hotels, seeing different ideas. This is mostly, how I come up with my inspiration" (BHM3.1). BHM2.1 claimed that "stealing ideas from around when you are speaking with people from other hotels to see what they are doing is good" (BHM2.1). These findings suggest that BHOs and BHMs, especially in independently owned and chain-owned boutique hotels, tend to prioritize low risk innovations that have already been tried and tested by competitors. This approach towards innovations enables boutique hoteliers to keep up with market changes, however, it may inhibit BHOs and BHMs from acquiring a leadership position in the market. Furthermore, this approach towards innovation highlights a few potential challenges that may emerge in this sector in the coming years. First, if ideas in this sector are subject to large-scale mimicry over a prolonged

duration of time, this could lead to increased homogenization in the industry, with hotels offering similar experiences and services. In addition, excessively relying on imitated forms of innovation may negatively impact creative thinking and problem-solving, leading to cognitive rigidities and the prevalence of incremental innovations.

The discussions advanced in this section demonstrate that the characteristics of the innovations implemented in boutique hotels align with the broader literature on innovation outcomes in tourism and hospitality organisations (see, for example, Backman et al., 2017; Elshaer & Marzouk, 2022; Jacob et al., 2003; Krizaj et al., 2014; Orfila-Sintes et al., 2005; Panfiluk, 2021; Pikkemaat & Peters, 2006). In this respect, this research corroborates extant empirical analyses that has presented evidence of:

- Ad hoc and continuous innovations in tourism enterprises (see, for example, Backman et al., 2017; Jacob et al., 2003; Krizaj et al., 2014; Orfila-Sintes et al., 2005).
- The prevalence of product, service and process innovation in this sector (see, for example, Elshaer & Marzouk, 2022; Jacob et al., 2003; Krizaj et al., 2014; Panfiluk, 2021; Tejada & Moreno, 2013; Wikhamn et al., 2018).
- The incremental nature of innovations in tourism organisations (see, for example, Binder et al., 2016; Booyens & Rogerson, 2016; Kallmuenzer, 2018; Nordli, 2017; Orfila-Sintes et al., 2005; Panfiluk, 2021; Pikkemaat & Peters, 2006; Stojcic et al., 2019; Wikhamn et al., 2018).

Moreover, consistent with the literature (see, for example, Backman et al., 2017; Orfila-Sintes & Mattsson, 2009; Pikkemaat & Peters, 2006), this research confirms that ownership

structures in boutique hotels predict innovations characteristics. These results suggest that geographical location and hotel type may have minimal influence on innovation outcomes, however, organisational size and tangible and well as intangible resources may represents key predictors of innovation and competitiveness in this sector.

Based on the discussions set forth in this section, this research has also demonstrated that one of the most notable challenges of the innovation strategies employed in independently owned and chain-owned boutique hotels, concerns novel ideas. Specifically, personnel in boutique hotels were found to emulate the innovations they observed or implemented elsewhere as opposed to cultivating original and possibly more novel ideas. This raises questions about the long-term survival of boutique hotels in Valletta, Malta. In a hyper-competitive market such as Valletta, where innovation is considered essential to establish a point of differentiation, replication tends to diminish service advantages (Ottenbacher et al., 2012). In time, this may exert a significant negative impact on the destination and the appeal of boutique hotels, which are generally associated with aesthetic individualism and service idiosyncrasy (Buhagiar et al., 2024).

5.6   Innovation in Boutique Hotels: Concluding Remarks

According to Singh and Aggarwal (2022), "the innovation process's comprehensiveness and dynamism are often difficult to accommodate within a single definition of innovation, leaving many definitions of innovation throwing light on only a part of the innovation process" (p. 181). While this assertion has been substantiated by a number of scholars (see, for example, Edwards-Schachter, 2018; Gustafsson, 2020), this research suggested that empirically grounded investigations that consider innovation by exploring multiple foci of analyses are in a position to offer robust, nuanced and representative descriptions of innovation relative to a single context. Although this bears the risk of bifurcating the literature, this research argued that this approach towards innovation has the potential to advance theory relative to innovation by presenting in-depth details of innovation within a given context. By adopting this approach, this study has presented a granular overview of innovation in boutique hotels.

Consistent with the literature that defines innovation (see, for example, Baradarani & Kilic., 2018; Hernández-Perlines et al., 2019; Volo, 2006; Wikhamn et al., 2018), this research has demonstrated that from the perspective of boutique hotel customers, stakeholders, BHOs and BHMs, innovation represents an outcome-centric construct that can be seen, that is considered novel and that provides value to respondents. The results of this research also demonstrated that the perceived meaning of innovation in boutique hotels tends to be closely interlinked to the key attributes of these accommodation provisions (see, for example, Buhagiar et al., 2024; Chang, 2010; Chang & Teo, 2009; Dev & Keller, 2014; Ghaderi et al., 2020; Tritto, 2020; Parolin & Boeing, 2019; Strannegård & Strannegård, 2012). Therefore,

this research has illustrated that boutique hotels represent a novel market offering, the attributes of which reinforce and, at the same time, influence, the concept of innovation.

This research extends the literature on the innovation process by demonstrating that innovation in boutique hotels manifests on multi-levels. By bridging the literature on the innovation process (see, for example, Amabile & Pratt, 2016; Cooper, 2008; Custódio Santos et al., 2020; Hollebeek & Andreassen, 2018; Nordin & Hjalager, 2017; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009) with the KBDCs approach (see, for example, Binder, 2020; Chang et al., 2018; Gürlek, 2021; Nieves et al., 2014; Sa et al., 2020; Santos-Vijande et al., 2018; Shamim et al., 2021; Tang et al., 2015; Thomas & Wood, 2014), this study has presented an enriched concept of the innovation process in boutique hotels. This research has illustrated that, at the micro-level, innovation tends to follow diverse trajectories. At the firm-level, KBDCs for innovation were observed, however, they were influenced by organisational structures. This research demonstrated that only multi-sector group-owned boutique hotels comprised all five KBDCs, with these capabilities established by way of several heterogeneous institutionalization practices. By combining absorptive capacity and combinative capabilities, this research has demonstrated how externally acquired and internally leveraged knowledge resources contribute to innovation.

This research aligns with the broader literature on the characteristics of innovation in tourism enterprises (see, for example, Backman et al., 2017; Elshaer & Marzouk, 2022; Jacob et al., 2003; Krizaj et al., 2014; Orfila-Sintes et al., 2005; Panfiluk, 2021; Pikkemaat & Peters, 2006). Consistent with the literature, this study demonstrated that most of the innovations implemented in boutique hotels are incremental and they generally occur in products, services and process. It is relevant to note that this research corroborates extant studies that

demonstrate the significant interrelationship between ownership structure and innovation. Due to these findings, this research suggested that ownership structure represents a more reliable predictor of innovation outcomes in tourism enterprises than geographic location and hotel type.

Building on the discussions set forth in this Chapter, the following Chapter ties this research together by presenting the key conclusions that emerged from this study.

6   Conclusion

6.1   Introduction

Chapter 6 concludes this study. In this Chapter, the scope of this research and the salient research outcomes are presented. This is followed by a discussion on the contributions of this study to both theory and practice. This Chapter concludes by addressing the limitations of this study and by outlining areas for future research.

6.2   Scope of Study

This study aimed to investigate innovation from a holistic perspective in one specific type of accommodation provision, that is, boutique hotels. This objective addresses a call by several tourism and hospitality management scholars who describe hospitality and tourism innovation as a nascent area of research (see, for example, Backman et al., 2017; Hjalager, 2002, 2010; Martínez-Román et al., 2015; Nordin & Hjalager, 2017; Volo, 2006; Ziyae et al., 2022). Indeed, "the true potential of service innovation in the hotel industry is still unexplored, and there exist fruitful avenues for further investigation" (Ziyae et al., 2022 p. 583).

To attain the objectives of this study, this research investigated the following research questions:

Research Question 1. How is innovation in boutique hotels in Malta perceived by practitioners, customers, and stakeholders in the local tourism industry?

Research Question 2. What are the micro-foundation practices that are applied to transform knowledge resources into innovations in boutique hotels in Valletta, Malta?

Research Question 3. What are the firm-level knowledge-based dynamic capabilities that are applied to systematically transform knowledge resources into innovations in boutique hotels in Valletta, Malta?

Research Question 4. What are the characteristics of the innovations implemented in boutique hotels in Valletta, Malta?

In answering these research question, the study adopted three foci of analysis in the context of boutique hotels located in Valletta, Malta. First, the study explored the perceived meaning of innovation from the perspective of BHOs, BHMs, customers and stakeholders. Second, the study investigated innovation as a process at the individual- and firm-levels. Third, the study further explored the characteristics of the innovations implemented in boutique hotels.

In the first instance, to address the perceived meaning of innovation, this study adopted a multi-respondent approach to determine a deep and granular perspective of innovation within boutique hotels. This line of inquiry is relevant as the tourism and hospitality literature

tends to offer generic definitions of innovation (see, for example, Baradarani & Kilic, 2018; Chen, 2011; Hernández-Perlines et al., 2019; Jacob et al., 2003; Li et al., 2022; Ottenbacher et al., 2012; Wikhamn et al., 2018) applicable for the entire tourism and hospitality sector. This wide applicability, however, remains insufficient to address the nuanced specificities of the boutique hotel sector (see, for example, Işık et al., 2022; Montresor, 2006; Smith, 1994; Volo, 2006). Thus this thesis proposes a contextually grounded perspective of innovation as seen by key actors of the boutique hotel sector who are directly engaged with this phenomenon, e.g., customers and stakeholders.

In the second instance, this study explored the innovation process by adopting a multi-level approach. This approach extends the current literature (see, for example, Custódio Santos et al., 2020; Nordin & Hjalager, 2017) that demonstrates how the innovation process occurs with a limited description of the diverse trajectories involved, while offering only limited insight into the multi-level nature of the phenomenon. Several scholars highlight the existence of these two gaps in innovation literature (see, for example, Camisón & Monfort-Mir, 2012; Lawson & Samson, 2001).

In the third instance, this study explored the characteristics of the innovations implemented in boutique hotels. Extant literature presents diverging views and findings (see, for example, Backman et al., 2017; Camisón & Monfort-Mir, 2012; Jacob et al., 2003; Krizaj et al., 2014; Martĺnez-Ros & Orfila-Sintes, 2009; Pikkemaat & Peters, 2006), particularly when considering the impact of ownership structures on innovation outcomes (see, for example, Pikkemaat & Peters 2006; Martĺnez-Ros & Orfila-Sintes 2009; Rodríguez-Victoria et al., 2017; Wikhamn et al., 2018).

6.3   Research Outcomes

To fulfil the aims of this investigation, a qualitative methodology was adopted as it allowed for the multiple viewpoints of respondents to be captured and represented. Moreover, this methodology provided a basis to explore innovation from a context sensitive perspective and it concurrently accounted for the human-centric nature of innovation practices. Thus, the methods employed in this study supported this research by providing the conditions necessary for an in-depth and narratively rich investigation of innovation.

Through the application of both purposive and convenience sampling, the researcher conducted 25 semi-structured interviews with BHOs and BHMs from 14 boutique hotels located in Valletta, Malta. 10 semi-structured interviews were conducted with stakeholders in the local tourism industry and four focus groups were conducted with 25 customers who had experience of lodging in a boutique hotel in Malta or Gozo.

Based on the results obtained in this study, innovation was perceived by BHOs, BHMs, stakeholders and customers to comprise an outcome-centric construct that manifested in products, services and process. Product innovations in boutique hotels inferred product differentiation strategies, aesthetic individualism, i.e., unique internal décor, and the novelty of being situated in a re-adapted heritage building. Service innovations in boutique hotels symbolized heterogeneous service experiences and novel service delivery methods. Process innovations in boutique hotels referred to improvements in processes *via* new work methods, digitization and eco-innovations. This research also demonstrated that BHOs, BHMs, stakeholders and customers, considered value a relevant by-product of innovation. BHOs predominantly accentuated the strategic value of innovation *via* product differentiation.

BHMs prioritized relational value through innovative customer interactions, and boutique hotel customers and stakeholders accentuated hedonic value by way of the idiosyncratic servicescapes comprising boutique hotels. This study also addressed what is considered new in boutique hotels relative to whom (Johannessen et al., 2001). By drawing on the results presented in this research, this study demonstrated that the perceived meaning of innovation in boutique hotels was closely interlinked to the key elements constituting these accommodation provisions. Therefore, in boutique hotels, the defining characteristics of these accommodation provisions reinforce and influence how innovation is perceived.

From a process perspective, innovation in boutique hotels in Valletta, Malta, occurred on two-levels, these are the micro-foundation level and the firm-level. At the micro-foundation level, the innovation process comprised between six- to nine-phases, with the number and the types of micro-foundation processes implemented at this level influenced by the three ownership structures considered in this study. By analysing ownership structures, this research demonstrated that multi-sector group-owned boutique hotels comprised the lengthiest innovation cycle, with nine micro-foundation practices applied to transform knowledge resources into innovation outcomes. This was followed by independently owned boutique hotels, where eight micro-foundation practices were implemented to cultivate innovation outcomes. Chain-owned boutique hotels comprised the shortest innovation cycle, with six micro-foundation practices applied to transform knowledge resources into innovation outcomes. At the micro-foundation level, high degrees of idiosyncrasy were observed in the individual practices and artifacts used by BHOs and BHMs to transform knowledge resources into innovation. Thus, this process was defined by high levels of heterogeneity. At the firm-level, five knowledge-based dynamic capabilities (KBDCs) were applied in boutique hotels to establish innovation, these are acquisition capabilities,

combinative capabilities, assimilation capabilities, transformation capabilities and exploitation capabilities. Similar to the divergences noted in the micro-foundation process, ownership structures were observed to exert an influence on the number of KBDCs established in boutique hotels. This study demonstrated that KBDCs were most prevalent in multi-sector group-owned boutique hotels, where institutional structures were established to cultivate all five KBDCs. In independently owned and chain-owned boutique hotels, the most prevalent KBDC was the acquisition capability, with BHMs and BHOs in these lodging provisions observed to depend on flexible routines to acquire external knowledge, including networking and discussions with guests.

From an outcome-centric perspective, on average, one to two innovations were implemented in boutique hotels annually. Innovation in these lodging provisions predominantly occurred in processes, services and products. The degree of novelty of the innovations implemented in boutique hotels ranged from radical to incremental, with incremental innovations primarily implemented in independently owned and chain-owned boutique hotels and, radical innovations more frequently implemented in multi-sector group-owned boutique hotels. The number and the types of innovations implemented in boutique hotels were found to be influenced by both ownership structure and context. Specifically, innovation was observed to be impacted by a hotel's lifecycle and its respective ability to adapt to contextual factors.

6.4 Contributions to Theory

Although the limited sample size of this study restricts the generalizability of the findings set forth, this research contributes to theory in several ways, these are discussed in the following section.

This research contributes to theory on innovation management in tourism by presenting a unified overview of innovation within the unique context of boutique hotels. By bridging three distinct and often isolated analytical focuses, including the perceived meaning of innovation, the process perspective of innovation and the outcome-centric view of innovation, this study's integrative outcomes extend the innovation literature in tourism and hospitality management by presenting an in-depth and granular perspective of innovation. This marks an initial effort to set forth a unified perspective of innovation.

This research also contributes towards innovation theory by presenting a multi-actor perspective of innovation in the context of boutique hotels. This enriches the academic debate focused on defining innovation by accounting for the viewpoints of those individuals closest to the phenomenon. This addresses Singh and Aggarwal's (2022) critique of the literature, with the authors' having stressed that generally, this field of inquiry tends to omit "the everyday notion of innovation" (p. 186). By presenting a multi-actor perspective of innovation, this research has shown how the perceived meaning of innovation tends to be contextual, i.e., influenced by the environment, and how innovation differs according to the viewpoints of actors, leading to a multidimensional frame of reference for this construct. This study has also demonstrated how innovation in boutique hotels tends to be closely

aligned with the characteristics of these organizations (Buhagiar et al., 2024), underscoring the value of contextually sensitive approaches towards defining innovation.

This study has also demonstrated how innovation is a process occuring on multiple levels: micro-foundation and firm level. This contribution addresses several calls set forth by scholars for a deeper understanding of this phenomenon (see, for example, Hjalager, 2010; Nordin & Hjalager, 2017; Martínez-Román et al., 2015). By way of this multi-level approach, this research has illustrated how heterogeneities at the individual-level tend to define micro-foundation practices in boutique hotels, illustrating that innovation tends to represent a complex individual-level process that can occur by way of numerous practices, artefacts and behaviors. This adds depth the literature on the innovation process by capturing the idiosyncracies of innovation practices which, to date, remain generic. Moreover, by investigating KBDCs at the firm-level, this study has illustrated the reinforcing mechanisms used to operationalize systemized forms of innovation. By way of this approach, this study has demonstrated that KBDCs tend to be idiosyncratic and contingent on preconditions to develop. This contributes to the literature on KBDCs, where the positivst approach commonly adopteded by scholars is restricted in explaining how and why KBDCs form in certain organizations and not others (see, for example, Binder, 2020; Shamim et al., 2021; Tang et al., 2015; Thomas & Wood, 2014). Moreover, these studies seldom provide practitioners with insights into the diverse array of routinzed practices used to systemize innovation efforts, restricting their ability to effectively sustain innovation. However, by applying a post-positivist approach, this research has provided practitioners and scholars with a granual account of the diverse routines applied to established KBDCs. This contributes to theory by bridging the gap between the conceptual foundations of KBDCs and practical application.

This study has also extend innovation theory by demonstrating how different ownership structures exert a unique influence on the numer and the types of practices adopted in boutique hotels at both a micro-foundation and firm-level to attain innovation outcomes. This specific contribution broadens the debates set forth on the innovation process, which have predominantly focused on modelling innovation practices at a generalized level (see, for example, Amabile & Pratt, 2016; Custódio Santos et al., 2020; Hollebeek & Andreassen, 2018; Nordin & Hjalager, 2017; Tidd & Bessant, 2014). The results presented in this study, push the boundaries of established innovation debates by capturing the complexities of ownership variations, presenting a more accurate and context-sensitive framework of innovation activities.

6.5 Contributions to Practice

This thesis offers key contributions for practitioners in the field of boutique hotel operations and strategy.

First, this study offers a granular and contextually sensitive exploration of innovation in boutique hotels from the viewpoint of customers and stakeholders. For practitioners, the result presented in this study suggest that innovation efforts should be placed on cultivating unique and aesthetically appealing designs in boutique hotels. Likewise, the historic nature of the heritage properties used when developing boutique hotels should be retained and given due emphasis since this is integral to the guest experience. By focusing on these areas and by leveraging the insights presented in this study, boutique hotels can establish targeted innovation efforts. This could support practitioners meet and exceed customer needs and

expectations, while it provides a framework for enhanced competitiveness and long-term survival.

Second, the schematic illustrations in Figures 4.3, 4.6 and 4.7 demonstrate to practitioners the different micro-foundation practices and KBDCs implemented in boutique hotels to transform knowledge resources into innovation outcomes. These illustrations can serve as valuable tools for practitioners as they provide a structured overview of the different innovation strategies, paths, practices, and artifacts used to establish innovation. These illustrations may be applied in boutique hotels as a guide to systemize innovation efforts or, they could be used to identify practices and artifacts that are particularly well-suited to the contextual needs of a specific boutique hotel. These illustrations can also be used by practitioners as a basis to benchmark a hotel's innovation efforts relative to competitors, this can support practitioners identify areas for improvement or opportunities for innovation.

Third, this thesis illustrated the limitations of the current innovation strategies adopted in boutique hotels. This study demonstrated that in independently owned and chain-owned boutique hotels, the rate of innovation tends to decline from the inception of these enterprises, and most innovations tend to be incremental and developed by way of prior experience and observation, i.e., copying. By adopting this innovation strategy, hoteliers risk giving rise to isomorphism in the sector. In boutique hotels, where individualism and aesthetic idiosyncrasy tend to be prioritized and valued by customers, isomorphism can be particularly disadvantageous as it can erode the sense of heterogeneity often associated with these particular types of accommodation. To reduce the prevalence of imitated forms of innovation in this sector, hoteliers should foster a culture of experimentation, where new ideas are encouraged, and failures are viewed as learning opportunities.

Fourth, this research has presented evidence of several barriers to innovation in boutique hotels, e.g., cognitive rigidities, lack of financial resources, lack of relevant knowledge, and demotivation due to Covid-19, and it has also set forth evidence of the different incentives and drivers of innovation adopted in some boutique hotels, e.g., awards for innovative ideas, practices to stimulate divergent thinking, such as the application of the six thinking hats, systemized socialization practices and decentralized organizational structures. These insights can be applied by practitioners to cultivate organizational cultures conducive to innovation. Furthermore, by understanding barriers to innovation, hoteliers are provided with a basis to proactively address challenges that are likely to exert a negative impact on innovation efforts.

Fifth, for policymakers, these results point towards the need for innovative ecosystems, where efforts are made to bridge actors from multiple industries to cross-pollinate ideas and establish novel innovations. By supporting cross-industry collaborations, actors would be provided with a forum to share unique insights and perspective, this could stimulate the development of creative solutions and innovations. Moreover, cross-industry collaborations could encourage tourism actors to import and adapt ideas from other sectors of the economy, this could represent a relevant method to stimulate combinative innovation.

Sixth, this thesis also demonstrated that innovation in boutique hotels tends to be influenced by a hotel's ownership structure, lifecycle and external factors. These results may be used by policymakers to support the development of tailored policies aimed at increasing innovation activities in boutique hotels according to the unique needs and challenges of different ownership structures. In this regard, in independently owned boutique hotels, where the rate of innovation was found to decrease over time, support for innovation seems to be

required on an on-going basis. Support could include access to financing, rebates, tax incentives, training programs and consultancy support. On the other hand, in chain-owned boutique hotels, support structures for innovation are predominantly required to adapt to unanticipated black swan events, i.e., situations of crisis. Support could include technical assistance to adapt to the changing landscape and employee training.

6.6   Limitations

This research comprises a number of limitations.

One of the key limitation of this study is that front-line employees were excluded from the sample. Although the researcher aimed to explore and include the perspectives of front-line employees in this research, due to Covid-19, most boutique hotels were operating with skeleton staff, this meant that, in most cases, only BHOs and BHMs were available. Thus, this research does not fully account for the perspectives and experiences of those individuals involved in the day-to-day operations, particularly, with guests, in boutique hotels. Front-line employees are relevant to consider when exploring innovation as they possess knowledge of the processes deployed to establish innovation. As a consequence, this research provides a limited understanding of innovation in boutique hotels.

A subsequent limitation of this study is that innovation was only considered in boutique hotels. This approach limits the scope of the findings to one specific segment of accommodation in the hospitality industry. By excluding other types of hotels from this study, a comparative analysis and benchmark of the innovation drivers, barriers, processes, and outcomes implemented in the broader accommodation sector was not conducted. Such

an analysis would have supported a better understanding of how organizational size, type, and customer segments, for example, influence innovation.

The lines of inquiry explored in this study focused on three specific foci of analyses, these are the perceived meaning of innovation, innovation as a process and innovation outcomes, as a result, this study did not explore the dark side of innovation, and it did not consider innovation risks or consequences. Thus, this research is relatively limited in its scope and it does not provide a balanced perspective of innovation that accounts for the unintended negative impacts of innovation.

Notwithstanding the increasing growth of the boutique hotel sector in Malta, this study did not explore nor focus on marketing and branding in boutique hotels in Valletta. As a result, this study did not specifically assess how these hotels differentiate and brand themselves in the local market relative to other hotels. Therefore, this study is limited in providing a comprehensive understanding of how boutique hotels leverage marketing strategies to enhance their competitive position in the market.

Due to focus of this investigation on boutique hotels, this study did not explore nor attribute significant attention to the differences between boutique hotels and, for example, small luxury hotels. Although the sampling criteria established in this research to identify boutique hotels were developed by way of an analysis of the literature on boutique hotels (see Chapter 2), this study does not capture the granular convergences and divergences between boutique hotels and similar types of accommodation provisions. As a result, the findings presented in this research are limited in terms of their generalizability and applicability to similar forms of accommodation

Last, due to the fact that data collection ensued during Covid-19, the number of participants the researcher was able to recruit in this study was significantly impacted by the peculiarities of the ambiguous context society and organizations were facing at the time of this investigation.

6.7 Areas for Future Research

This section provides some suggestions for future research as follows:

- The results of this study demonstrated that various actors held distinct perceptions of innovation in boutique hotels. As a result, innovation was found to represent a fluid and multi-dimensional construct. Future research could consider investigating perception gaps in the meaning of innovation from the viewpoints of multiple actors in different types of accommodation provisions. This would contribute to a more granular perspective of innovation, adding nuance to generic definitions of this construct. This could also aid practitioners develop more cohesive strategies that meet and exceed customer and stakeholder expectations.

- To bolster the empirical robustness of scholarly works aimed at investigating the meaning of innovation, future research could consider conducting exploratory analysis on the perceived meaning of innovation in the hotel industry making use of quantitative research methods. This analysis could provide scholars with a more objective foundation for exploring the influence of regional and accommodation-type differences on innovation. Insights derived from these studies may offer a

supportive framework to practitioners to enable the increased implementation of innovations with the potential to meet and exceed customer needs.

- Future research could consider enhancing the generalizability of the results produced in this study by conducting a comparative analysis of innovation in boutique hotels in Valletta, Malta, and in boutique hotels located in different regions in Malta. This approach towards investigating innovation would help clarify the extent to which the urban context in Valletta influences innovation. A study of this kind would provide a richer and more comprehensive understanding of innovation in boutique hotels, shedding light on regional differences and commonalities in innovation practices.

- Future research could consider expanding the scope of this research on the innovation process to include other forms of accommodation. By exploring the innovation process in different types of accommodation with different ownership structures and operational models, researchers can unveil the granular ways in which context shapes innovation. This would provide scholars with a basis to comparatively assess convergences and divergences in the innovation behaviours and patterns prevalent in different types of hotels.

- To increase the empirical validity of research on the innovation process, a relevant avenue for future research could involve the inclusion of front-line employees. By including the perspectives of front-line employees on the innovation process, researchers may gain a deeper and more comprehensive understanding of the nuanced micro- and firm-level practices deployed in hotels to attain innovation

outcomes. This would result in richer and more empirically robust findings on the innovation process.

- To increase the empirical robustness of research on the innovation process and its outcomes, future studies could consider fostering a longitudinal design, applying reflexive journalling as a method to collect data. This would ensure that innovation practices and outcomes are accurately captured in real-time, overcoming the limitations associated with memory decay. This approach allows for a deeper understanding of the perceptions, strategies and actions implemented to execute innovation. A study of this kind could also advance current insights on the contextual and temporal dimensions of innovation.

- Future research could explore the manner in which designated measurement scales and tools to quantify innovation in tourism could be developed. This would address a number of critiques set forth by scholars regarding the inapplicability of the Community Innovation Survey (CIS) in the tourism industry (see, for example, Camisón & Monfort-Mir, 2012; Nordli, 2017l Valença et al., 2020). This could increase the statistical representation of innovation in the tourism industry. This could aid both practitioners and scholars better understand the rate, the types and the novelty of the innovation implemented in different tourism organization, e.g., hotels, restaurants, etc. Moreover, once developed and tested, these scales could facilitate cross-country comparisons of innovation.

- Empirical analyses have demonstrated the prevalence of imitated forms of innovation in the accommodation sector (see, for example, Hjalager, 2010; Nieves et al., 2014),

a finding supported by this study. When combined with the low degrees of novelty observed in innovations in boutique hotels and the broader debates in the literature (see, for example, Binder et al., 2016; Pikkemaat & Peters, 2006; Wikhamn et al., 2018), this raises an essential question: to what extent do practitioners perceive innovations as relevant, valuable and necessary in hotels? Addressing this question could shed light on whether practitioners consider innovation a core priority or a response to market developments, extending current insights on the motivations of practitioners to engage in innovation activities.

- Future research could consider exploring the potential shortcomings or unintended downsides of innovation within boutique hotels. While innovations are generally perceived as positive, they may sometimes backfire, exert unintended negative impacts on customers or negatively impact a boutique hotel's branding efforts. As a result, future studies could investigate instances where innovations exerted a negative impact on boutique hotels. This line of investigation could provide a more comprehensive understanding of innovation's role in boutique hotels, shedding light on which innovations led to desirable or positive outcomes, and which types of innovations result in negative outcomes.

- Given the paucity of studies aimed at defining boutique hotels and distinguishing these forms of accommodation from other categories of hotels, e.g., small luxury hotels, future studies could consider conducting a comparative analysis to shed light on the sub-types of boutique hotels existing within the sector, and to distinguish these forms of accommodation from other hotel categories. This would facilitate researchers employ relevant and robust sampling criteria when exploring boutique

hotels, and it would simultaneously aid practitioners better understand what distinguishes boutique hotels from similar types of accommodation.

6.8 Concluding Comments

This study was conducted to present a unified framework of innovation in the specific context of boutique hotels in Valletta, Malta. This focus of analysis was considered relevant because, despite representing a global phenomenon (Băltescu & Boşcor, 2016), boutique hotels have remained precluded from the broader debates in the literature on innovation (see, for example, Buhagiar et al., 2024; Quadri-Filittie et al., 2022). In Valletta, the need to explore innovation in boutique hotels stemmed from their exponential development within a short duration of time, leading to heightened competitive rivalry, as expressed by numerous participants in this study. In addition, particular emphasis was directed towards exploring boutique hotels located in Valletta, Malta, due to the researcher's personal interest in Valletta as a manifestation of Maltese identity and culture, with re-adapted heritage buildings, i.e., boutique hotels, serving as custodians of the past. Although the results presented in this research are not generalizable, some conclusions relevant to the boutique hotels investigated can nonetheless be drawn.

Based on the perspectives of BHMs, BHOs, stakeholders and customers, this research has demonstrated that innovation holds varied meanings for different actors. However, it also demonstrated that the key attributes defining boutique hotels tend to shape and influence how innovation is perceived. For example, this study has demonstrated that the distinctive appeal of boutique hotels is interlinked to their non-conformist aesthetics and commitment to personalization, characteristics that are typical of these lodging provisions. This raises the

question: are boutique hotels innovative due to their novel characteristics? To a certain extent, the results of this research have demonstrated that innovation represents a foundational quality of boutique hotels, reflecting a core value of these accommodation provisions.

On the other hand, it is relevant to consider how perceptions of innovation may change as boutique hotels become mainstream in the market. As key attributes of boutique hotels become widespread in the accommodation sector, e.g., personalization, product differentiation, use of re-adapted buildings, etc., the novelty of these characteristics may be weakened, making it challenging for these types of lodging provisions to stand out in the market. Moreover, the extensive commodification of boutique hotel attributes could lead to a scenario where the key characteristics of these accommodation provisions are no longer perceived as signals of innovation, however, they may eventually become standardized criteria in hotels.

This gives rise to further questions: will stakeholders and customers still view the key elements of boutique hotels as innovative once this form of accommodation moves towards becoming mainstream? In this scenario, how will boutique hotels re-define themselves to gain a competitive edge? This study has relied on perceptions as a basis to gauge innovation, and although this is a subjective methodological approach to adopt when defining innovation, this study has presented innovation grounded in real-world perspectives, acting as a basis to bridge the divide between industry and academia where, oftentimes, definitions of innovation are developed in silos. While this adds value to the scholarly debate on innovation, the characterization of innovation advanced in this study is temporally bound. Therefore, the insights presented in this research only account for innovation in boutique

hotels at a very particular and specific point in time. Just as innovation is a multi-tensional construct, definitions of this construct grounded in real-world perspectives may need to be continually updated and refined to reflect evolving market dynamics, upcoming trends and shifting customer demands.

This research has also illustrated that at the micro-foundation level, the practices used to transform knowledge resources into innovations tend to be highly idiosyncratic, while they are also influenced by a boutique hotel's specific ownership structure. Both these findings were unanticipated by the researcher. When using the literature as a baseline to model innovation, it becomes apparent that scholarly works generally portray innovation as a linear and clear-cut process, with this construct typically presented in a reductionist manner (see, for example, Cooper, 2008; Custódio Santos et al., 2020; Nordin & Hjalager, 2017; Tidd & Bessant, 2014; Toivonen & Tuominen, 2009). In retrospect, following the completion of this study, it appears that this approach towards framing innovation may have been adopted to provide practitioners with a straightforward framework for modelling innovation activities. However, this clarity comes at the expense of overlooking the granular complexities of the innovation process. By way of qualitative interviews, the researcher was able to capture the vast array of practices, artifacts and human actions applied to transform knowledge into innovation, resulting in a multifaceted and human-centric process. By outlining these practices and actions, practitioners have been provided with a real-world and highly detailed representation of innovation. Moreover, although studies in the tourism and hospitality management literature have presented evidence to illustrate the impact of ownership structure on innovation outcomes (see, for example, Pikkemaat & Peters 2006; Martínez-Ros & Orfila-Sintes 2009; Rodríguez-Victoria et al., 2017; Wikhamn et al., 2018), the influence of ownership on the innovation process has seldom been explored. This study has

demonstrated that different types of ownership structures tend to lead towards distinct innovation practices, highlighting how ownership dynamics shape innovation strategies, decision-making paths and impact the adoption of innovation.

This study has also demonstrated that creative capacities in the boutique hotel sector tend to be impacted by a strong reliance on mimicry and prior knowledge when cultivating innovations. This was especially prevalent in independently owned and chain-owned boutique hotels, where institutional structures for KBDCs were scarce. The tendency of BHOs and BHMs in these enterprises to rely on existing knowledge and ideas to develop innovation was subsequently reflected in the relatively low frequency of radical innovations in these accommodation provisions. Although these findings were expected in independently owned boutique hotels, where hoteliers faced the constraints generally experienced in micro-enterprises, e.g., lack of access to specialized competencies and limited financial resources, this finding was unanticipated in chain-owned boutique hotels. This is because in contrast to independently owned boutique hotels, chain-owned hotels tend to have access to more resources (see, for example, Vila et al., 2012). However, this research has demonstrated that like independently owned boutique hotels, chain-owned boutique hotels faced similar limiting factors when cultivating KBDCs, over and above which, these enterprises appeared to be more susceptible towards contextual changes, e.g., Covid-19. Although this study only included two chain-owned boutique hotels in the sample, the results of this research suggest that hotels of this kind may not be as agile as independently owned boutique hotels, and they do not appear to comprise the complex infrastructures necessary to leverage knowledge resources, unlike the structures observed in multi-sector group-owned boutique hotels.

As Valletta's competitive landscape evolves, the dependence of practitioners in independently owned and chain-owned boutique hotels on prior knowledge and replication as a form of innovation are unlikely to yield competitive advantages, with excessive replication over prolonged durations of time capable of inciting sectorial isomorphism. In the foreseeable future, boutique hoteliers in Valletta, Malta, will likely need to cultivate and implement new methods to explore and acquire knowledge that exists beyond the firm's boundaries. Specifically, hoteliers in independently owned and chain-owned boutique hotels will require a cognitive shift, relying less on localised and proximate knowledge and, instead, combine divergent knowledge in novel ways. In this landscape, intellectual capital specifically, the creative potential of employees, will become pivotal to cultivate and support competitive advantages.

This study was conducted when boutique hotels were considered an emergent phenomenon in Valletta, Malta. Once the boutique hotel concept becomes mainstream in Malta's capital city, as it is likely to do, it will be intriguing to assess how these establishments continue to innovate to distinguish themselves in an increasingly crowded market.

From a personal perspective, this research on innovation in boutique hotels marks a significant learning curve and milestone in both my professional and personal development, defined by numerous peaks and valleys. In hindsight, the insights shared by academics who stressed that "the Ph.D. journey is indescribable and highly personal" proved wholly correct. This research has involved not only pushing the niche boundaries of knowledge on boutique hotels, however, it also contributed to the researcher's sense of academic independence and accountability.

For lack of better words, this journey has not been smooth sailing, and it has presented several opportunities as well as challenges. As the topic innovation is multi-dimensional, highly subjective and fragmented, as a result, uncovering the different layers of the literature and the debates set forth in this field was demanding and complex.

On the other hand, the methodological approach applied in this study, i.e., qualitative data collection, represented one of the most satisfying aspects of this research as it enabled the researcher to explore innovation in both depth and detail. By way of the rich narrative discussions established with the research participants, the researcher was able to capture the complexity of innovation within the situated context of boutique hotels. Moreover, notwithstanding the fact that Covid-19 limited the sample size of this study, one of the unanticipated advantages afforded by the pandemic was time. In this respect, the context provided by Covid-19 allowed BHOs, BHMs, customers and stakeholders to explore innovation in significant detail and granularity.

Another rewarding aspect of this research was witnessing the project come together as a cohesive whole. In the formative years of this study, the chapters often felt disjointed, and the foci of analysis seemed isolated. However, as the research progressed, the connections and links between the different foci of analyses in this study became clearer, leading to a unified narrative. This process of synthesis and seeing the individual pieces align into a structured whole brought a deep sense of accomplishment and satisfaction.

Appendices

Appendix A: Pre-Focus Group Survey, Boutique Hotel Customers

A Capabilities Approach towards Innovation in Boutique Hotels in Malta

Thank you for your interest in my research which seeks to explore how innovation is implemented in boutique hotels in Malta.

My name is Kristina Buhagiar and I am a student at The Edward de Bono Institute for Creative Thinking & Innovation at the University of Malta reading for a Doctor of Philosophy in Innovation under the supervision of Professor Sandra M. Dingli and Dr Lisa Pace.

The aim of focus groups in this study is to explore and discuss the service experience you encountered at the boutique hotel you lodged in, and to investigate whether and how you contributed towards innovation in the boutique hotel.

To participate in focus groups no prior knowledge on innovation is needed, and all focus groups will be held virtually through the Zoom platform.

This survey, which should take no longer than 5 minutes to complete, seeks to determine whether you are eligible to participate in this study. Your eligibility to participate in focus groups is based on a number of variables, including your age, the year you visited the boutique hotel, the location of the boutique hotel, and the attributes of the boutique hotel.

Once your eligibility to participate in this study is determined, I will contact you through e-mail to explain how focus groups will proceed, and to inform you on the nature of focus groups and the responsibilities of the researcher.

Thank you for your time and consideration.

Should you have any queries, please don't hesitate to contact me on:
kristina.buhagiar.14@um.edu.mt

* Indicates required question

1. Email *

   _____

2. Age *

   Mark only one oval.

   - ( ) Under 20
   - ( ) 20 to 29
   - ( ) 30 to 39
   - ( ) 40 to 49
   - ( ) 50 to 59
   - ( ) 60 and older

3. What year/s did you visit the boutique hotel? (multiple years can be selected) *

Tick all that apply.

- [ ] Before 2018
- [ ] 2018
- [ ] 2019
- [ ] 2020
- [ ] 2021
- [ ] 2022

4. Where was the boutique hotel located? *

_____

5. Please indicate whether the boutique hotel had any of the listed characteristics (multiple characteristics can be selected) *

Tick all that apply.

- [ ] The boutique hotel was situated in a heritage building, e.g., house of character or palazzini
- [ ] The boutique hotel seemed smaller than 50 bedrooms
- [ ] The boutique hotel offered you a personalised or customisable service

6. Are you available to participate in an online focus group which should last one and a half hours? *

Mark only one oval.

- ( ) Yes
- ( ) No

Appendix B: Hotel Database for Valletta

	Hotels in Valletta					
	Hotel	Star Rating	Quality Rating	Review 'rating'	Link	Hotel category/description
1	Casa Rocca Piccola B&B	-	3	9.60	Click here.. / Click here..	Registered as a B&B. Comprises 6 rooms; situated in a heritage building. Thematic décor.
2	Valletta Central Suites	-	3	8.90	Click here..	Apartments.
3	Harbour Heights	-	3	9.40	Click here..	Apartments.
4	Valletta Hastings Suites	-	3	8.50	Click here..	Apartments.
5	Osborne Hotel	3	-	8.60	Click here.. / Click here..	63 rooms; situated in a heritage building; contemporary dector; comprises fitness facilities/bar/lounge/restaurant/pool.
6	Barrakka Suites	-	3	8.80	Click here..	Apartments.
7	Sally Port Suites	-	3	9.40	Click here..	Apartments.
8	Vallettastay Classic Apartments	-	3	8.00	Click here..	Apartments.
9	Paulos Valletta	-	3	9.20	Click here..	Apartments.
10	Valletta Dream Suites	-	3	8.40	Click here..	Apartments.
11	The House in Old Mint Street	-	3	8.70	Click here..	Apartments.
12	Luciano Valletta Boutique	-	3	8.00	Click here.. / Click here..	6 rooms; thematized; historic building.
13	House Valletta	-	3	8.5	Click here..	Apartments.
14	Valletta Kursara Port View	-	3	7.6	Click here..	Apartments.
15	Hotel Castille	3	-	8.00	Click here.. / Click here..	38 rooms; located in a heritage building; Le Cinq rooftop restaurant; Café Castille; no thematization
16	Lucinao Ai Porto Boutique	-	3	8.00	Click here..	Thematized; historic building; 4 rooms (TBC)
17	Merkanti Apartments	-	3	8.8	Click here..	Apartments.
18	Casa Lapira	-	3	8.8	Click here.. / Click here..	Guesthouse
19	Valletta Dream Suites Penthouse	-	3	8.6	Click here..	Apartments.
20	La Vallette	-	3	7.00	Click here..	Apartments.
21	Valletta Kampnar City Living	-	3	7.1	Click here..	Apartments/guesthouse
22	Valletta Spacious Duplex - St. Paul's Apartments	-	3	9.00	Click here..	Apartments.
23	West Street Apartments	-	3	9.3	Click here..	Apartments.
24	Valletta Ajkla Mansion	-	3	7.8	Click here..	Self-catering studios
25	Valletta Main Street Apartment DELUXE	-	3	8.2	Click here..	Apartment.
26	The Vincent	-	3	8.6	Click here.. / Click here..	Situated in a heritage building; thematized; 9 rooms.
27	Superbly located Cosy 2-bedroom apartment Valletta	-	3	8.1	Click here..	Apartment.
28	Luciano Valletta Studio	-	3	8.1	Click here..	Self-catering apartments
29	Vallettastay Standard apartments	-	3	7.3	Click here..	Apartment.
30	Merchant Street Apartments	-	3	9.7	Click here..	Apartment.
31	No 68 Valletta	-	3	8.3	Click here..	Guesthouse
32	Valletta Collection - Ordinance Suites	-	3	9	Click here..	Apartment.
33	Luxury Valletta Apartment	-	3	9.5	Click here..	Apartment.
34	Borgo San Pawl Valletta Apartments - Duplex 2-bedroom apartment	-	3	8.6	Click here..	Apartment.
35	Casa San Carlo Azure	-	3	7.3	Click here..	Apartment.
36	Ground Floor Central Valletta Home with Own Entrance	-	3	8.3	Click here..	House.
37	Apartment in historical building - grand harbour	-	3	9.2	Click here..	Apartment.
38	St Ursula Apartment Valletta	-	3	9.6	Click here..	Apartment.
39	Vincenti Strait Street Suite	-	3	8.7	Click here..	Apartment.

Appendix C: Social Media Posts to Recruit Focus Group Participants

Appendix D: Interview Template Boutique Hotel Owners and Managers

Screening Questions	
	Ownership structure of the hotel?
	Number of rooms in the hotel?
	Number of employees in the hotel (full-time and part-time)
Section 1	**Demographic data**
Q1	Role in the company?
Q2	How many years/months have you been employed with the boutique hotel?
Q3	Highest level of education? General education – compulsory education MATSEC certificate – O levels Matriculation certificate – A levels & Intermediates Undergraduate degree Master's degree Doctoral degree
Q4	Age? Under 20 20 - 29 30 – 39 40 – 49 50 – 59 60 and older
Q5	Could you describe what work experience you have in the tourism industry and the accommodation sector?
Section 2	**Assessing the external environment prior to and during Covid-19**
Q6	Prior to Covid-19, how would you describe the boutique hotel sector in Malta? [Competition with other types of accommodation; relationships with market actors; impact of Airbnb; competition from foreign destinations]
Q7	Could you describe whether Covid-19 has had an impact on your boutique hotel/the boutique hotel you work for, and what impact that consisted of?
Q8	Could you describe whether the effects of Covid-19 have affected your role and responsibilities in any way?
Section 6	**Innovation process when establishing the boutique hotel (APPLICABLE TO BOUTIQUE HOTEL OWNERS ONLY)**
Q32	Could you describe how you came up with the idea of establishing a boutique hotel? [What prompted the idea to set-up and open a boutique hotel?]

| Q33 | Could you describe any innovations you implemented when establishing your boutique hotel?

[E.g., innovation in service design/customisability, process innovations, technology innovations] |
|---|---|
| Q34 | When setting-up and opening the boutique hotel, what were the most critical issues you encountered? |
| Q35 | Could you describe how you overcame these issues? |
| Q36 | What role do you think your experience and knowledge played when setting-up and opening your boutique hotel? |
| **Section 3** | **Role and importance of innovation and knowledge resources in Boutique Hotels (unrelated to contexts of crisis)** |
| Q9 | Could you describe what, in your opinion, innovation in boutique hotels refers to? |
| Q10 | Could you describe what, in your opinion, is the role of innovation in your organization? |
| Q11 | Do you know of any specific resources (e.g., knowledge, customer data, finances) that are allocated to innovation in your organization? Could you provide details? |
| Q12 | Could you describe what role you think your own knowledge and experience play in the innovation activities of the organization?

[Learning and development/training schemes] |
| **Section 4** | **Innovation process prior to COVID-19** |
| Q13 | Prior to Covid-19, did the organization implement any innovations, e.g., new services, new IT systems, infrastructural changes to the building, technology, etc.? Could you describe these? |
| Q14 | Were you directly involved in any of the innovations you mentioned?

If the answer is no:

ASK: why not?

If the answer is yes:

ASK: could you describe how you contributed towards the innovation/s? |
| Q15 | Could you describe whether and how you stay up to date with industry trends and changes?

[research processes, feedback from customers, meetings] |
| Q16 | Could you describe what trigger/s or sources of inspiration help you to come up with new idea/s for the hotel?

[interactions with customers/employees, observations?; communication and interactions with colleagues?] |
| Q17 | Once you have an idea, what do you usually do with it?

[steps you go through; who is involved in the process] |
| Q18 | Would you describe innovation as a formal or informal process in the organization? Why? |

	[Formal innovation process – highly structured/methodical, guided by documents, guided by management, linear process: idea development – testing – implementation] [Informal innovation process – emergent/unintentional process, minimal guidance, numerous stimuli, e.g., client interactions, non-linear]
Q19	Could you describe what role, if any, your collaboration with others, both inside the hotel and external to it, play in developing new ideas for innovation? [Colleagues, customers, suppliers, online reviews and external stakeholders]
Q20	Could you describe how you are made aware of any updates in the hotel, e.g., the introduction of new services, new procedures, IT systems, problems, etc.? [Is training offered?]
Q21	Could you describe whether any processes or routines are used to collect and review information, data and knowledge [E.g., customer feedback; industry trends; supplier meetings, etc.]?
Q22	Could you describe whether and what role guiding documents, standard processes or routines play in developing innovation in the organization?
Q23	Could you describe any barriers which have or may have prevented you or your colleagues from communicating creative thoughts and ideas?
Section 5	**Innovation process during Covid-19**
Q24 (Added after first interview)	**During Covid-19, did the organization implement any innovations, e.g., new services, new IT systems, infrastructural changes to the building, technology, etc.? Could you describe these?**
Q25	Once Covid-19 hit, could you describe whether and how the organisation adapted to the situation? [Did you contribute to any of these adaptations? Was training offered]
Q26	Since Covid-19, could you describe whether and how you've managed to stay up to date with market trends and changes?
Q27	Could you describe whether and how Covid-19 has had any impact on your motivation and ability to generate and communicate creative thoughts or ideas?
Q28	What role do you think your knowledge and experience, or lack of it, have played in the implementation of new ideas during Covid-19?
Q29	Has Covid-19 had any effect on the resources available for the development and implementation of new ideas?
Q30	Could you describe whether the development and implementation of new ideas has been guided by any formal processes/documents/procedures or routine methods during Covid-19? [if yes, can you elaborate on these formal processes?]
Q31	Before ending this interview, would you like to add anything to the discussion?

Appendix E: Interview Guide Boutique Hotel Owners and Managers

Section title in interview guide	Number of Questions in section	Applicable to	Aim/s of questions	Sources
Section1: Demographic data	5 questions	Owners and managers	This section aims to explore the demographic attributes comprising boutique hotel owners and managers, including their respective role and duties in the boutique hotel, educational level, age, and prior experience in the tourism industry. The intention of this section is to acquire a basic understanding of the demographic composition of respondents, the degree of heterogeneity or homogeneity in respondent backgrounds, and to better explore the impact of experience on innovation.	Salem, 2014 Nieves et al., 2014 Hoarau, 2014
Section 2: Assessing the external environment prior to and	3 questions	Owners and Managers	This section intends to investigate the competitive landscape of boutique hotels situated in Valletta, Malta, prior to Covid-19 and the relative impact of Covid-19. The aim of this section is to establish a situated understanding of the boutique hotel phenomenon and to concurrently explore the	Teece et al., 1997 Teece, 2007

during Covid-19			level of dynamism present between boutique hotels in Valletta. Likewise, this section seeks to investigate whether micro-foundation practices and firm-level capabilities for knowledge reconfiguration in boutique hotels develop as a response to high, moderate, or low velocity market changes.	Zahra et al., 2006
Section 3: Role and importance of innovation and knowledge resources in boutique hotels	4 questions	Owners and Managers	The objective of this section is to explore research question 1 by investigating the meaning and significance of innovation in the context of boutique hotels. In addition, this section also seeks to investigate whether resources are allocated in boutique hotels towards innovation activities, the core individuals involved in innovation activities, and to unravel the role of employees, owners, managers, and inter-organizational actors in the innovation process.	Hoarau, 2014
				Goodman & Dingli, 2013
				Baradarani & Kilic, 2018
				Chen, 2011
				Hernández-Perlines et al., 2019
Section 4: Innovation	11 questions	Owners and managers	The aim of the questions in Section 4 of the interview template are to address research questions 2, 3 and 4 by way of exploring both the attributes of the innovations	Nonaka, 1994

			implemented in boutique hotels and the innovation process from a micro-foundation perspective and a firm-level perspective before Covid-19. In this section, emphasis is placed on asking respondents to describe the types and the number of innovations implemented in their respective boutique hotels before Covid-19, this will help to catalogue innovations by outcome and to determine the rate of innovations in boutique hotels (research question 2). Likewise, importance in this section is also attributed to acquiring an in-depth understanding of the micro-level actions boutique hotel owners and managers undertake to transform an idea into an innovation, while importance is also placed on concurrently investigating firm-level processes by asking respondents to describe the level of routinization and systemization of micro-level practices (research questions 3 and 4).	Nonaka & Toyama, 2005
process prior to Covid-19				
Section 5: Innovation process during Covid-19	7 questions	Owners and managers	The questions in Section 5 of the interview template aim to explore the impact of Covid-19 on the innovation process in boutique hotels. Therefore, the nature of the questions in this section bears some degree of similarity to the questions asked in Section 4, however, questions in this section are centralized around exploring whether and how Covid-19 exerted an impact on the innovation process.	Nonaka, 1994
				Nonaka & Toyama, 2005
Section 6: Innovation	5 questions	Owners	Section 6, which is only applicable to boutique hotel owners, and which follows Section 2 of the interview template, aims	Nonaka, 1994

process when establishing the boutique hotel			to explore the ideation phase of hoteliers when establishing boutique hotels. Simultaneously, this section also seeks to gauge the number and types of innovations implemented by hoteliers during the start-up phase, and to explore the role of prior experience when establishing a boutique hotel.	Nonaka & Toyama, 2005

Appendix F: Interview Template Tourism Stakeholders

Q1	Could you introduce yourself and what you do?
Q2	Could you describe what experience you have in the tourism industry and accommodation sector?
Q3	Could you describe whether and how accommodation provisions have evolved in Malta over the past 5 years, particularly in relation to Valletta?
Q4	When focusing on tourism in Valletta, is there anything particularly unique about the tourism product in this part of Malta?
Q5	Could you describe the dynamics of the tourism industry in Valletta? (dynamics may include – collaborative relations between market players; conflicts between market players; sharing resources; development of clusters, etc.)
Q6	Focusing on boutique hotels, and given your experience in the tourism industry, what does a boutique hotel constitute to you?
Q7	In your opinion, how do boutique hotels differ from alternate types of accommodation?
Q8	Could you describe what the boutique hotel sector is like in Valletta? (level of competition; collaboration between hotels, etc.)
Q9	Could you describe whether knowledge sharing practices between boutique hotels in Valletta occurs?
Q10	Based on your experience, could you describe whether innovation plays a role in boutique hotels in Valletta?
Q11	Could you specifically mention any innovations you have come across in the boutique hotel sector in Malta?

Q12	At an ecosystem level in Valletta, including all market actors not just boutique hotels, could you describe whether knowledge is exchanged between market actors, e.g., best practices, new services, etc.? (Ask for examples)
Q13	Could you describe whether, in your opinion, knowledge sharing between market actors in the tourism industry may contribute towards innovation? How and why?
Q14	Could you describe whether, in your opinion, there are any barriers which may prevent market actors in the tourism industry from sharing their knowledge?
Q15	In your opinion, could you describe what role knowledge sharing between market actors in tourism plays in relation to innovation?
Q16	Based on your experience, what can be done in order to increase the uptake of innovation in boutique hotels in Valletta?
Q17 (Added after first interview)	In your opinion, what does innovation in boutique hotels mean?

Appendix G: Interview Guide Tourism Stakeholders

Theme	Question Numbers	Aim/s of questions	Sources
Validation of Sampling Criteria	Q1, Q2	The aim of questions one and two in the interview template was to validate the experience of stakeholders and their role in the tourism industry in Malta. Therefore, these questions sough to ensure that the stakeholders who participated in this study met the sampling parameters/criteria established in this study, especially in terms of their knowledge of the tourism industry and the boutique hotel sector in Malta.	-
Market Dynamics	Q3, Q4, Q5, Q8	Questions three, four, five and eight in the interview template sought to understand the competitive landscape of the tourism ecosystem in Valletta, Malta, allowing for a situated overview of the market dynamics present in this sector to evolve. These questions were also asked to triangulate the answer of boutique hotel owners and managers regarding the competitive environment in Valletta, Malta, enabling this study to account for a broader understand of the tourism ecosystem from numerous perspectives.	Teece et al., 1997 Teece, 2007 Zahra et al., 2006
Boutique Hotel Phenomenon	Q6, Q7	Questions six and seven focused on exploring the perceptions of stakeholders concerning boutique hotels. This was done to gain a more in-depth understanding of these types of accommodation provisions and to explore how they compared to other forms of accommodation available on the market. One of the objectives of these questions was to further contextualise the boutique hotel phenomenon in Malta, allowing for this research to address the gap in the literature concerning the paucity of studies on these accommodation provisions. Second, by understanding how the boutique hotel phenomenon emerged in a small city, such as Valletta, this study was in a more apt position to understand the types of dynamics established between market actors, this is addressed in more depth in interviews with boutique hotel owners and managers.	Henderson, 2011 Jones et al., 2013 Lim & Endean, 2009
		Questions nine, 12, 13, 14 and 15 all focused on exploring the degree to which stakeholders perceived boutique hoteliers and market actors comprising the tourism ecosystem in	Backman et al., 2017

Knowledge Sharing Practices	Q9, Q12, Q13, Q14, Q15	Valletta, Malta, exchanged knowledge and information. The intention of this section was to further investigate the market dynamics present between ecosystem actors and to explore the degree to which knowledge was circulated between and among market actors in Valletta, Malta.	Halme, 2001
			Hjalager, 2015
Innovation in boutique hotels	Q10, Q11, Q16, Q17	Question 10, 11, 16 and 17 sought to investigate innovation in the context of boutique hotels. Here, emphasis was predominantly placed on asking stakeholders to describe their perception of innovation in boutique hotels. Thus, the objective of these questions was to address RQ1.	Baradarani & Kilic, 2018
			Chen, 2011
			Hernández-Perlines et al., 2019

Appendix H: Focus Group Template Boutique Hotel Customers

Introduction to the focus group by the researcher:

1) **Introduction:** researcher introduces herself and provides a brief overview of the study.
   a. **Overview of the study includes**: This research focuses on exploring:
      i. How boutique hotels in Malta develop innovation.
2) **Aim of focus groups:** through focus groups, this study seeks to investigate what role you, as customers, play in the innovation process of boutique hotels.
3) **Overview of ethical considerations:**
   a. This [online] focus group will be virtually recorded.
   b. Recordings will only be accessible to the researcher and her supervisors.
   c. Recordings will be stored in a secure password encrypted folder.
   d. Recordings will be transcribed in-verbatim, and data will be analyzed.
   e. Direct quotes of your comments may/may not feature in the study and publications.
   f. Your identity will be pseudonymized.
   g. You may opt out of this study at any point should you wish to do so, and all your data will be deleted with no repercussions.
4) **Overview of focus group:**
   a. This focus group is structured into three core themes:
      i. In Theme 1, we will start this focus group by getting to know one another with a quick introduction, and you will then be asked to discuss your motivation for staying in a boutique hotel.
      ii. In Themes 2 and 3, you will be asked a series of questions about the service experience you encountered when you stayed in the boutique hotel.
5) **General guidelines:**
   a. There are no right or wrong answers in this focus group, the aim is to discuss and explore your experiences in the boutique hotel and your role in the innovation process.

Theme 1	Introduction and establishing the context
Q1	Could you briefly introduce yourselves [name] and answer this question: I will start with an ice-breaker: Imagine the following scenario: Your house is on fire, and everyone is safe. You have 30 seconds to run through the house and collect three or four items you want to save. What would you collect and why? Ice-breaker sourced from: https://www.cru.org/us/en/train-and-grow/help-others-grow/leading-small-groups/small-group-icebreakers.html]
Q2	Could you think back to the time when you were booking your stay in the boutique hotel. What made you choose to stay, specifically, in a boutique hotel? [Were there any particular features/attributes you were looking for?]
Theme 2	Service Experience
Q3	Upon arriving at the boutique hotel, could you describe your initial impression of the hotel? [Did any attributes/characteristics appeal to you/did you find any attributes unsatisfactory; impression of the company culture – attitude of employees, level of collaboration between employees; motivation of employees; impression of the location; impression of the hotel decor]
Q4	During your stay at the hotel, did you interact with staff and for what reasons? [E.g., a welcome drink, queries, complaints]
Q5	Throughout your stay at the hotel, what was your impression of hotel staff and the service they offered?
Theme 3	Innovation

Q6	Throughout your stay at the hotel, did you provide the hotel with any feedback or comments on how to improve the hotel product or service, or ideas for new or improved services?
	   o Could you describe the kind of feedback you provided?
	   o Could you describe what made you provide this feedback?
	   o Could you describe what you wanted to achieve from providing this feedback?

Q7	Following your stay at the hotel, did you provide the hotel with any feedback or comments on how to improve the hotel product or service, or ideas for new or improved services?
	   o Could you describe the kind of feedback you provided?
	   o Could you describe what made you provide this feedback?

	o Could you describe what you wanted to achieve from providing this feedback?
Q8	Do you think your ideas and experiences could have and can contribute towards changes in the products, services, processes, etc., of the boutique hotel you stayed in? How and why?
Q9	Do you consider the boutique hotel you stayed in to be innovative? Why?
Q10 (Added during first focus group)	In your opinion, what does innovation in boutique hotels mean?
Q11	Do you think the boutique hotel could have been more innovative? How?
Q12	Is there any reason you did not provide any ideas/feedback to the hotel?
Q13	Before ending this focus group, would you like to add anything to the discussion? [E.g., ideas on how the boutique hotel could have made better use of your experience / feedback / knowledge?]

Appendix I: Focus Group Guide Boutique Hotel Customers

Focus group theme	Number of questions in section	Aim of focus group questions	Sources
Theme 1: Introduction and establishing the context	2	The aims of theme one were to establish group dynamics, to place respondents in the context under investigation, and to explore which push and pull factors influenced participants decision to stay in boutique hotels.	Guest et al., 2013
			Krueger et al., 2001
Theme 2: Service experience	3	Theme two explored the service experience from the consumer's perspective. Here, the aim of questions was to investigate the initial impression focus group participants acquired of the hotel, working to unravel what attributes of the hotel participants found interesting, memorable, desirable or undesirable. This section also aimed to investigate whether employee innovative behaviours could have been stimulated by the trust and respect established in consumer-employee interactions. Lastly, this section explored the motives governing consumer-employee interactions, working to unravel which stimuli were responsible for customer-employee interactions, and to investigate whether interactions and knowledge exchanges gave rise to ideas for innovation.	Li & Hsu, 2016
			Xu & Wang, 2020
			Sørensen & Jensen, 2015

Theme 3: Innovation	8	The aim of theme three was to investigate whether and with what intention focus group participants provided the boutique hotel with feedback or ideas for service improvement or new services. The objective of exploring whether, why and what types of feedback and ideas were transferred between customers-employees was to investigate the nature of feedback and ideas, and to understand what stimuli prompted the exchange of feedback and ideas between employees and customers. This section also sought to explore the role of customers in the innovation process through investigating how focus group participants perceived their ideas, experiences and knowledge contributed towards the innovation activities of the boutique hotel. Lastly, this section aimed to explore which dimensions of innovation customers perceived boutique hotel excelled in, while it also aimed to investigate which dimensions of innovation boutique hotels 'underperform' in. This section concluded by asking customers what innovation in boutique hotel meant to them, thereby addressing RQ1.	Engen & Magnusson, 2015
			Sørensen & Jensen, 2015
			Baradarani & Kilic, 2018
			Chen, 2011
			Hernández-Perlines et al., 2019

Appendix J: Information email for Boutique Hotel Customers

Dear [focus group participant name],

Thank you for expressing your interest in participating in my research – it is greatly appreciated.

My name is Kristina Buhagiar and I am a student at The Edward de Bono Institute for Creative Thinking & Innovation at the University of Malta reading for a Doctor of Philosophy in Innovation. My research, which is titled 'A capabilities approach towards innovation in boutique hotels in Malta', seeks to explore how boutique hotels in Malta develop innovation. This research is being conducted under the supervision of Professor Sandra M. Dingli and Dr Lisa Pace.

The aim of focus groups is to explore and discuss the service experience you encountered at the boutique hotel you lodged in, and to investigate whether and how you contributed towards innovation in the boutique hotel. Therefore, during focus groups, you and other participants will be encouraged to engage in a discussion on your experience at the boutique hotel.

Focus groups will take place in English, they will be conducted online (on the Zoom platform), and they should take one and a half hours, however, this will be determined by the nature of the discussions and the debates which emerge during the focus group sessions.

Attached to this email please find an information letter which describes the nature of this study, and a letter of consent which outlines the responsibilities of the researcher, the purpose of the study, and provides information concerning how data will be used, stored and processed. If, after reading this email, the information letter and the letter of consent you are interested in participating in this research, please reply to this email with a signed copy of the letter of consent. To schedule the Zoom focus groups, please indicate your availability on this link [insert doodle poll link here]. Once all focus group participants indicate their availability, I will get in touch to inform you on the date and time of your focus group, and I will email the Zoom link to you.

I would like to thank you in advance for your interest in my study.

Kristina
+356 XXXX XXXX

Appendix K: Information letter for Boutique Hotel Customers

My name is Kristina Buhagiar and I am a student at The Edward de Bono Institute for Creative Thinking & Innovation at the University of Malta reading for a Doctor of Philosophy in Innovation under the supervision of Professor Sandra M. Dingli and Dr Lisa Pace. My dissertation, which is titled 'A Capabilities Approach towards Innovation in Boutique Hotels in Malta', seeks to explore how innovation is developed and implemented in local boutique hotels.

This letter is an invitation to participate in this study where, through your participation, this research will benefit from a deep understanding of innovation development and implementation. Should you choose to participate in this study, you will be asked to take part in a focus group anticipated to last one and a half hours, which will be held on Zoom and which will be virtually recorded. No prior knowledge on the topic is necessary, and any data collected from this research will be used solely for the purposes of this study.

Due to the nature of this study, your identity will be pseudonymized, while any data collected will be stored in an encrypted file on the researcher's password-protected computer, and only the researcher and her principal supervisor (Professor Sandra M. Dingli) and co-supervisor (Dr Lisa Pace) will have access to this information.

Participation in this study is entirely voluntary, you are free to accept or refuse to participate without needing to give a reason. You are also free to withdraw from the study at any time without needing to provide any explanation and without any negative repercussions for you. Should you choose to withdraw, any data collected from your interview will be erased. Your participation does not entail any known or anticipated risks. Please note also that, as a participant, you have the right under the General Data Protection Regulation (GDPR) and national legislation to access, rectify and where applicable ask for the data concerning you to be erased. All data collected will be erased three years from completion of the study and following publication of results.

A copy of this information sheet is being provided for you to keep and for future reference.
Thank you for your time and consideration. Should you have any questions or concerns, please do not hesitate to contact me or one of my supervisors (full details are below).
Sincerely,

Kristina Buhagiar	*Professor Sandra M. Dingli*	*Dr Lisa Pace*
Researcher	*Principal Supervisor*	*Co-supervisor*
+356 XXXX XXXX	+356 XXXX XXXX	+356 XXXX XXXX
The Edward de Bono Institute for Creative Thinking & Innovation. kristina.buhagiar.14@um.edu.mt	The Edward de Bono Institute for Creative Thinking & Innovation, 63, Esperanto Street, University of Malta, Msida.	The Edward de Bono Institute for Creative Thinking & Innovation, 63, Esperanto Street, University of Malta, Msida.

Appendix L: Information Email for Boutique Hotel Managers/Owners

Good morning/afternoon,

My name is Kristina Buhagiar and I am a student at The Edward de Bono Institute for Creative Thinking & Innovation at the University of Malta reading for a Doctor of Philosophy in Innovation under the supervision of Professor Sandra M. Dingli and Dr Lisa Pace. My research, which is titled 'A Capabilities Approach towards Innovation in Boutique Hotels in Malta', seeks to explore how innovation is developed and implemented within local boutique hotels.

As part of this research, I am conducting one-hour interviews, where one boutique hotel owner, manager and one front-line employee are asked a series of questions about innovation. No prior knowledge is required.

I am therefore contacting you as I would like to invite you, one of your front-line employees and the owner/manager to participate in individual, one-hour, interviews. Please rest assured that your identity and that of your organization will be anonymized through the use of pseudonymous names.

If you are interested in participating in this study, we would appreciate it if the boutique hotel manager could complete and submit the following survey, which should take no longer than 5 minutes.

I am attaching a letter with further information about this study, and a letter of consent, where you can indicate your interest in participating in this study.

I would like to thank you in advance for your kind consideration.

Kristina Buhagiar
+356 XXXX XXXX

Appendix M: Information Letter for Boutique Hotel Owners/Managers

This letter is an invitation to participate in my research titled 'A Capabilities Approach towards Innovation in Boutique Hotels in Malta' which is being conducted at The Edward de Bono Institute for Creative Thinking & Innovation at the University of Malta. Through your participation in this study, this research will benefit from a comprehensive understanding of how innovation develops within boutique hotels.

Should you choose to participate in this study, you will be asked to take part in a one-hour interview, which, if held in-person, will be audio recorded, if held virtually, will be video recorded, and held at a location, date and time most convenient for you. Any data collected from this research will be used solely for purposes of this study.

Due to the sensitive nature of this study, your identity will be pseudonymized, while any data collected will be stored in an encrypted file on the researcher's password-protected computer, and only the researcher and her principal supervisor (Professor Sandra M. Dingli) and co-supervisor (Dr Lisa Pace) will have access to this information.

Participation in this study does not require any prior knowledge and is entirely voluntary, i.e., you are free to accept or refuse to participate without needing to give a reason. You are also free to withdraw from the study at any time without needing to provide any explanation and without any negative repercussions for you. Should you choose to withdraw, any data collected from your interview will be deleted from all records.

Your participation does entail any known or anticipated risks. Please note also that, as a participant, you have the right under the General Data Protection Regulation (GDPR) and national legislation to access, rectify and where applicable ask for the data concerning you to be erased. All data collected will be erased three years from completion of the study and following publication of results. A copy of this information sheet is being provided for you to keep and for future reference.

Thank you for your time and consideration. Should you have any questions or concerns, please do not hesitate to contact me or one of my supervisors (full details are below).

Sincerely,

Kristina Buhagiar	*Professor Sandra M. Dingli*	*Dr Lisa Pace*
Researcher	*Principal Supervisor*	*Co-supervisor*
+356 XXXX XXXX	+356 XXXX XXXX	+356 XXXX XXXX
The Edward de Bono Institute for Creative Thinking & Innovation. kristina.buhagiar.14@um.edu.mt	The Edward de Bono Institute for Creative Thinking & Innovation, 63, Esperanto Street, University of Malta, Msida.	The Edward de Bono Institute for Creative Thinking & Innovation, 63, Esperanto Street, University of Malta, Msida.

Appendix N: Information Email for Tourism Stakeholders

Good morning/afternoon,

My name is Kristina Buhagiar and I am a student at The Edward de Bono Institute for Creative Thinking & Innovation at the University of Malta reading for a Doctor of Philosophy in Innovation under the supervision of Professor Sandra M. Dingli and Dr Lisa Pace. My research, which is titled 'A Capabilities Approach towards Innovation in Boutique Hotels in Malta', seeks to explore how innovation is developed and implemented within local boutique hotels.

As part of this research, I am conducting one-hour interviews with tourism stakeholders in Malta to explore the tourism ecosystem in Valletta. The aim of interviews is to investigate the dynamics of tourism actors in Valletta, to unravel the nature of boutique hotels in Valletta, and to understand the role of innovation in boutique hotels in Valletta.

I am therefore contacting you as I would like to invite you to participate in a one-hour, interview. Please rest assured that your identity will be anonymized through the use of pseudonymous names.

I am attaching a letter with further information about this study, and a letter of consent, where you can indicate your interest in participating in this study.

I would like to thank you in advance for your kind consideration.

Kristina Buhagiar
 +356 XXXX XXXX

Appendix O: Information Letter for Tourism Stakeholders

This letter is an invitation to participate in my research titled 'A Capabilities Approach towards Innovation in Boutique Hotels in Malta' which is being conducted at The Edward de Bono Institute for Creative Thinking & Innovation at the University of Malta. Through your participation in this study, this research will benefit from a comprehensive understanding of the tourism ecosystem in Valletta, the nature of boutique hotels in Valletta, and the rate of innovation in boutique hotels in Valletta.

Should you choose to participate in this study, you will be asked to take part in a one-hour interview, which, if held in-person, will be audio recorded, if held virtually, will be video recorded, and held at a location, date and time most convenient for you. Any data collected from this research will be used solely for purposes of this study.

Due to the sensitive nature of this study, your identity will be pseudonymized, while any data collected will be stored in an encrypted file on the researcher's password-protected computer, and only the researcher and her principal supervisor (Professor Sandra M. Dingli) and co-supervisor (Dr Lisa Pace) will have access to this information.

Participation in this study is entirely voluntary, i.e., you are free to accept or refuse to participate without needing to give a reason. You are also free to withdraw from the study at any time without needing to provide any explanation and without any negative repercussions for you. Should you choose to withdraw, any data collected from your interview will be deleted from all records.

Your participation does not entail any known or anticipated risks. Please note also that, as a participant, you have the right under the General Data Protection Regulation (GDPR) and national legislation to access, rectify and where applicable ask for the data concerning you to be erased. All data collected will be erased three years from completion of the study and following publication of results. A copy of this information sheet is being provided for you to keep and for future reference.

Thank you for your time and consideration. Should you have any questions or concerns, please do not hesitate to contact me or one of my supervisors (full details are below).

Sincerely,

Kristina Buhagiar	*Professor Sandra M. Dingli*	*Dr Lisa Pace*
Researcher +356 XXXX XXXX	*Principal Supervisor* +356 XXXX XXXX	*Co-supervisor* +356 XXXX XXXX
The Edward de Bono Institute for Creative Thinking & Innovation. kristina.buhagiar.14@um.edu.mt	The Edward de Bono Institute for Creative Thinking & Innovation, 63, Esperanto Street, University of Malta, Msida.	The Edward de Bono Institute for Creative Thinking & Innovation, 63, Esperanto Street, University of Malta, Msida.

Appendix P: Letter of Consent Boutique Hotel Owners/Managers

Participant's Consent Form

A Capabilities Approach towards Innovation in Boutique Hotels in Malta

I, the undersigned, give my consent to take part in the study conducted by Kristina Buhagiar. This consent form specifies the terms of my participation in this research study.

1. I have been given written and/or verbal information about the purpose of the study. I have had the opportunity to ask questions, and any questions that I had were answered fully and to my satisfaction.

2. I also understand that I am free to accept to participate, or to refuse or stop participation at any time without giving any reason and without any penalty. Should I choose to participate, I may choose to decline to answer any questions asked. In the event that I choose to withdraw from the study, any data collected from me will be erased.

3. I understand that I have been invited to participate in an interview in which the researcher will ask a series of questions to investigate how boutique hotels in Malta develop innovation. I am aware that the interviews will take approximately one hour. I understand that the interview is to be conducted at a place (online or in-person) and time that is convenient for me, and which abides by the current Ministry for Health's Mandatory Standards and Guidances regulations.

4. I understand that my participation does not entail any known or anticipated risks.

5. I understand that the direct benefits I will achieve from participating in this study include a greater understanding of how innovation develops in boutique hotels.

6. I understand that, under the General Data Protection Regulation (GDPR) and national legislation, I have the right to access, rectify, and where applicable, ask for the data concerning me to be erased.

7. I understand that all data collected will be erased three years from completion of the study and following publication of results.

8. I am aware that, if I give my consent, in-person interviews will be audio recorded and video recorded on Zoom, all recordings will be later transcribed.

9. I am aware that, if I give my consent, extracts from my interview may be reproduced in the research using a pseudonym [a made-up name or code – e.g., respondent A].

10. I am aware that my data will be pseudonymized, i.e., my identity will not be noted on transcripts or notes from my interview, but instead, a code will be assigned. The codes that link my data to my identity will be stored securely and separately from the data, in an encrypted file on the researcher's password-protected computer, and only the researcher and her principal supervisor (Professor Sandra M. Dingli) and co-supervisor (Dr Lisa Pace) will have access to this information. Any hard-copy materials will be placed in a locked cupboard. Any material that identifies me as a participant in this study will be stored securely for the duration of the study and will be erased three years from completion of this study and following publication of results.

11. I am aware that my identity and personal information will not be revealed in any publications, reports or presentations arising from this research.

12. I am aware that I may ask to be given the opportunity to review relevant extracts of the transcript of my interview before the results of the study are published. I am also aware that I may ask for changes be made if I consider this to be necessary.

13. I have been provided with a copy of the information letter and understand that I will also be given a copy of this consent form.

I have read and understood the above statements and agree to participate in this study.

Name of participant: _____

Signature: _____

Date: _____

Appendix Q: Letter of Consent Boutique Hotel Customers

Participant's Consent Form

A Capabilities Approach towards Innovation in Boutique Hotels in Malta

I, the undersigned, give my consent to take part in the study conducted by Kristina Buhagiar. This consent form specifies the terms of my participation in this research study.

1. I have been given written and/or verbal information about the purpose of the study. I have had the opportunity to ask questions and any questions that I had were answered fully and to my satisfaction.

2. I also understand that I am free to accept to participate, or to refuse or stop participation at any time without giving any reason and without any penalty. Should I choose to participate, I may choose to decline to answer any questions asked. In the event that I choose to withdraw from the study, any data collected from me will be deleted.

3. I understand that I have been invited to participate in a focus group in which the researcher will ask a series of questions to explore my experience at the boutique hotel and that of other focus group participants. I am aware that the focus group will take approximately one and a half hours. I understand that the focus group is to be conducted online and at a date and time determined by the availability of participants through an online poll.

4. I understand that my participation does not entail any prior knowledge, neither does it entail any known or anticipated risks.

5. I understand that the direct benefits I will achieve from participating in this study include increased understanding on the innovation process of boutique hotels.

6. I understand that, under the General Data Protection Regulation (GDPR) and national legislation, I have the right to access, rectify, and where applicable, ask for the data concerning me to be erased.

7. I understand that all data collected will be erased three years from completion of the study and following publication of results.

8. I am aware that the focus group discussions will be video recorded and converted to text.

9. I am aware that extracts from my participation in focus groups may be reproduced in the research outputs using a pseudonym [a made-up name or code – e.g., respondent A].

10. I am aware that my data will be pseudonymized, i.e., my identity will not be noted on transcripts or notes from my interview, but instead, a code will be assigned. The codes that

link my data to my identity will be stored securely and separately from the data, in an encrypted file on the researcher's password-protected computer, and only the researcher and her principal supervisor (Professor Sandra M. Dingli) and co-supervisor (Dr Lisa Pace) will have access to this information. Any hard-copy materials will be placed in a locked cupboard. Any material that identifies me as a participant in this study will be stored securely for the duration of the study and will be deleted three years from completion of this study and following publication of results.

11. I am aware that my identity and personal information will not be revealed in any publications, reports or presentations arising from this research.

12. I am aware that I may ask to be given the opportunity to review relevant extracts of the transcript of my interview before the results of the study are published. I am also aware that I may ask for changes to be made if I consider this to be necessary.

13. I have received an email in which information concerning the study and the study's nature have been discussed and understand that I will be given a copy of this consent form.

I have read and understood the above statements and agree to participate in this study.

Name of participant: _____

Signature: _____

Date: _____

_____   _____   _____

Kristina Buhagiar   *Professor Sandra M. Dingli*   *Dr Lisa Pace*
Researcher   *Principal Supervisor*   *Co-supervisor*
The Edward de Bono Institute for
Creative Thinking & Innovation.   +356 XXXX XXXX   +356 XXXX XXXX

+356 XXXX XXXX

Appendix R: Letter of Consent Stakeholders

Participant's Consent Form

A Capabilities Approach towards Innovation in Boutique Hotels in Malta

I, the undersigned, give my consent to take part in the study conducted by Kristina Buhagiar. This consent form specifies the terms of my participation in this research study.

1. I have been given written and/or verbal information about the purpose of the study. I have had the opportunity to ask questions, and any questions that I had were answered fully and to my satisfaction.

2. I also understand that I am free to accept to participate, or to refuse or stop participation at any time without giving any reason and without any penalty. Should I choose to participate, I may choose to decline to answer any questions asked. In the event that I choose to withdraw from the study, any data collected from me will be erased.

3. I understand that I have been invited to participate in an interview in which the researcher will ask a series of questions to investigate the tourism ecosystem in Valletta, the nature of boutique hotels in Valletta, and the role and rate of innovation in boutique hotels in Valletta. I am aware that the interviews will take approximately one hour. I understand that the interview is to be conducted at a place (online or in-person) and time that is convenient for me, and which abides by the current Ministry for Health's Mandatory Standards and Guidances regulations.

4. I understand that my participation does not entail any known or anticipated risks.

5. I understand that the direct benefits I will achieve from participating in this study include a greater understanding of how innovation develops in boutique hotels.

6. I understand that, under the General Data Protection Regulation (GDPR) and national legislation, I have the right to access, rectify, and where applicable, ask for the data concerning me to be erased.

7. I understand that all data collected will be erased three years from completion of the study and following publication of results.

8. I am aware that, if I give my consent, in-person interviews will be audio recorded and video recorded on Zoom, all recordings will be later transcribed.

9. I am aware that, if I give my consent, extracts from my interview may be reproduced in the research using a pseudonym [a made-up name or code – e.g., respondent A].

10. I am aware that my data will be pseudonymized, i.e., my identity will not be noted on transcripts or notes from my interview, but instead, a code will be assigned. The codes that link my data to my identity will be stored securely and separately from the data, in an encrypted file on the researcher's password-protected computer, and only the researcher and her principal supervisor (Professor Sandra M. Dingli) and co-supervisor (Dr Lisa Pace) will have access to this information. Any hard-copy materials will be placed in a locked cupboard. Any material that identifies me as a participant in this study will be stored securely for the duration of the study and will be erased three years from completion of this study and following publication of results.

11. I am aware that my identity and personal information will not be revealed in any publications, reports or presentations arising from this research.

12. I am aware that I may ask to be given the opportunity to review relevant extracts of the transcript of my interview before the results of the study are published. I am also aware that I may ask for changes be made if I consider this to be necessary.

13. I have been provided with a copy of the information letter and understand that I will also be given a copy of this consent form.

I have read and understood the above statements and agree to participate in this study.

Name of participant: _____

Signature: _____

Date: _____

Appendix S: Data Management Plan

Data Management Plan: Kristina Buhagiar

Ph.D. title: Innovation in Boutique Hotels in Valletta, Malta

The nature of the data that will be collected?

In this research, data was collected from boutique hotel owners, boutique hotel managers, customers who lodged in boutique hotels in Malta or Gozo and stakeholders in the local tourism industry.

The nature of the data collected from these respondents is described below:
- Boutique hotel owners (BHOs) were invited to participate in a one-hour semi-structured interview where they were asked 36 questions about six different themes. These themes included: 1) demographic data, 2) external environment prior to and during Covid-19, 3) role and importance of innovation and knowledge resources in boutique hotels, 4) innovation process prior to Covid-19, 5) innovation process during Covid-19, and 6) innovation process when establishing the boutique hotel.
- Boutique hotel managers (BHMs) were invited to participate in a one-hour semi-structured interview where they were asked 31 questions on five themes related to innovation and knowledge resources. These themes included: 1) demographic data, 2) external environment prior to and during Covid-19, 3) role and importance of innovation and knowledge resources in boutique hotels, 4) innovation process prior to Covid-19, and 5) innovation process during Covid-19.
- Customers who lodged in boutique hotels in Malta or Gozo were invited to participate in a one-hour focus group held online on the Zoom platform. Focus group participants were asked 13 questions related to three themes. These themes include 1) introduction and establishing the context, 2) service experience, and 3) innovation.
- Stakeholders in the local tourism industry were invited to participate in a one-hour semi-structured interview. Stakeholders were asked 17 questions, these questions covered several themes, including 1) the evolution of Valletta as a tourism product, 2) the development of boutique hotels in Valletta, 3) novelty of boutique hotels in Valletta, 4) innovation in boutique hotels in Valletta, and 5) knowledge sharing between boutique hotels in Valletta.

The expected size of the data?

Respondent category	Number of respondents	Data collection method	Minutes of data collected
BHOs	9	Semi-structured interviews	1,923.98 minutes
BHMs	16		
Stakeholders	10		403 minutes
Boutique hotel customers	25	Focus groups	272 minutes

What tools or software are required to read or review the data? How will data be anonymised/pseudonymised?

All the data collected from BHOs, BHMs, stakeholders and boutique hotel customers was transcribed in-verbatim by the researcher on Microsoft Word. When transcribing data, the researcher allocated pseudonyms to each respondent. Information that made the respondents identifiable was removed from transcripts.

For boutique hotel customers, a preliminary online survey was completed by these respondents to determine their eligibility. Once the eligibility of these respondents was determined, data pertaining to the demographics attributes of these respondents was pseudonymised. All data emanating from focus groups was also pseudonymised to protect the identity of the respondents in this study.

All data from BHOs and BHMs was uploaded to Atlas.ti for data analysis. Data from stakeholders and boutique hotel customers was analysed manually on Microsoft EXCEL.

Who is responsible for managing the data?

The researcher is responsible for managing the data.

What metadata will be created to make data understandable?

To make the metadata understandable, descriptive metadata was used to outline the date of interviews and focus groups and the respective pseudonyms allocated to research participants. Descriptive metadata was also used to provide contextual information related to research participants, including the respondents role, year when the investigated boutique hotels were established, number of rooms in hotel, etc. Content metadata was used to summarize the key themes and topics that emerged from interviews and focus groups.

How will data be stored and archived?

Data was stored on the student's personal laptop in an encrypted folder. This was only accessible to the student, the principal supervisor and co-supervisor. A copy of the dissertation will be archived on the University of Malta's Institutional Repository once the Ph.D. has been completed. Data will remain stored and archived on the student's personal computer in an encrypted format for three years following completion of the Ph.D.

What is the backup for data storage?

To ensure that data is appropriately backed up, the student used her personal hard disk drive to store data.

For how long will the data be stored?

Data will be stored for three years following the successful defence of the student's Ph.D.

Will all or part of the data be available for sharing?

Data will not be made available for sharing – except for pseudonymised quotations extracted from interviews or focus groups, that may feature in peer-review articles/book chapters, etc.,.

How will the data be available for sharing?

Data will only be available for sharing through publications, however, data will be limited to a few pseudonymised excerpts extracted from interviews or focus groups.

Will there be any embargoes on data sharing?

There will be no embargoes on data sharing.

Will commercial use be allowed?

No.

Appendix T: BHOs and BHMs Core Codes – Open Coding

Respondent	Theme	Core code	Description	Number of sub-codes
BHMs	Characteristics of innovations in BHs	Types of innovations developed in BHs	Categorizes the innovations developed in boutique hotels. Examples of some sub-codes include service experience innovations, personalized services, expansion of the hotel, design innovations and marketing innovations.	16
	Perceptions of innovation	Innovation definition	Categorizes data on the perceived meaning of innovation. Some examples of the sub-codes comprising this core code include intimate services, personalization, experience, feeling at home and luxury services.	8
	Knowledge and learning	Prior knowledge	Categorizes data on the previous experience of managers. This code also illustrates the ways in which prior knowledge was used by managers in their current context.	1
		Courses for additional knowledge	Illustrates the type/s of course/s managers attended to increase their knowledge on tourism/accommodation.	1
		Organizational learning	Illustrates whether and how organizational learning occurred in boutique hotels. Some sub-codes include organizational memory/transferring skills, self-taught, recruitment, training, retention of employees, handover, and documents/procedures.	15
	Innovation process	Developing ideas	Categorizes data on the ideation stimuli used by managers to generate ideas. Some of the sub-codes comprising this core code include	21

				previous knowledge, guests, reflection, copying ideas and resource constraints.	
		Research to substantiate ideas	Outlines the type/s of research conducted by respondents to substantiate ideas.		1
		Formal processes for scanning the market	Illustrates the types of formal processes used in boutique hotels to scan the market. Two key sub-codes formed part of this core code, these are assessing customer feedback and assessing competition.		2
		Informal processes for scanning the market	Categorizes data on the informal processes used in boutique hotels to scan the market including, for example, viewing competitor hotels, listening to the news, following competitors on social media, and reading reviews.		4
		Formal processes for idea generation	Illustrates the types of formal processes used in boutique hotels to ideate.		1
		Sharing ideas	Outlines how ideas are externalized in boutique hotels and the subsequent role of employees in this process. Some sub-codes include owner/top manager, role of staff, incentivising ideas and discussing ideas.		7
		Reflecting on ideas/testing ideas	Categorizes data on the types of testing practices implemented in boutique hotels to assess the viability of an idea prior to its implementation.		1
		Disseminating knowledge on ideas	Categorizes data on knowledge dissemination in boutique hotels.		1
		Implementation of ideas	Details the means through which ideas were implemented in boutique hotels.		2

	Challenges of innovation	Barriers to innovation	Categorizes barriers to innovation in boutique hotels from the perspective of managers. Some sub-codes include fear of experimentation, lack of revenue, management, owner, myopia and lack of budget.	15
	Organizational attributes	Resources for innovations	Illustrates the resources allocated to innovation in boutique hotels.	1
		Organizational attributes	Categorizes data on the organization type, e.g., structure of organization, rotation of employees, leasing hotel versus managing hotel.	4
		Internal staff dynamics	Categorizes data on the staff dynamics in the respective boutique hotel. Here, two main sub-codes were established, these are relationship with owner and relationship between staff.	2
		Staff HR	Categorizes data on human resources and touches upon topics such as turnover, staff retention practices and recruitment difficulties.	3
BHOs	Developing BH	Development of BH	Categorizes data on the development phase of each respective boutique hotel. Some sub-codes include date when idea developed, assessing options for development, use of experts, preserving heritage and difficulties encountered when developing the respective boutique hotel.	11
		Outsourcing	Categorizes data on the outsourcing practices implemented by boutique hotel owners when developing the respective boutique hotels.	1

	Characteristics of innovations in BHs	Types of innovations developed in BHs	Categorizes data on the types of innovations developed in boutique hotels. Some sub-codes include unique designs, technology, service experiences, personalized services, design innovations and expansion of the hotel.	12
	Perceptions of innovation	Meaning of innovation	Categorizes data on the perceived meaning of innovation. Some examples of the sub-codes comprising this core code include service experience, eco-innovation, technology and intimacy.	8
	Knowledge and learning	Prior knowledge	Categorizes data on the prior knowledge of owners and the degree of perceived relevance this knowledge had for the owner's roles and responsibilities.	2
		Courses for additional knowledge	Illustrates the types of courses owners attended for increased knowledge on tourism/accommodation.	1
		Organizational learning	Categorizes data on organizational learning. Some sub-codes include cognitive capabilities, observation, training, and culturally embedded routines.	12
	Innovation process	Developing ideas	Categorizes data on the ideation stimuli used by owners to generate ideas. Some sub-codes include previous knowledge, guests, collaborations with hotels, reflection, copying ideas and resource constraints.	24
		Formal processes for scanning the market	Categorizes data on the formal processes used in boutique hotels to scan the market. Two sub-codes comprised this core code, these are assessing customer feedback and assessing competition.	2

		Informal processes for scanning the market	Illustrates the informal processes used in boutique hotels to scan the market. Examples of sub-codes include reading reviews, mix of processes, walking around competitors and booking.com.	4
		No market scanning activities	Categorizes data on instances where owners reported implementing no market scanning activities.	1
		Formalized processes for ideation	This code lists the formalized processes and practices applied by boutique hotel owners to generate ideas.	1
		Sharing ideas	Illustrates how ideas are externalized in boutique hotels. Some sub-codes include owner/top manager, discussing ideas (internally) and WhatsApp/messaging apps.	5
		Testing	Testing ideas lists the practices implemented in boutique hotels to determine the viability of an idea.	2
		Disseminating knowledge on ideas	Disseminating knowledge on ideas lists the processes used in boutique hotels to share knowledge.	1
		Implementing ideas	Illustrates the means through which ideas were implemented in boutique hotels.	3
	Challenges of innovation	Barriers to ideation	Illustrates perceived barriers to ideation from the perspective of boutique hotel owners. The sub-code comprising this core code was time.	1
		Barriers to innovation	Categorizes data on barriers to innovation in boutique hotels. Some sub-codes include rigid mindset, management/owner, experience, heritage nature of the building and fear of experimentation.	18

	Organizational attributes	Resources for innovations	Outlines whether boutique hotels possessed resources for innovation, and it also lists the types of resources owners attributed to innovation. Some sub-codes include budget/time, vague, no resources, reason for having no resources.	4
		Internal staff dynamics	Categorizes data on the internal staff dynamics constituting each respective boutique hotel. Sub-codes comprising this core code include relationship between staff, internal team dynamics, structure of teams and relationship between owner and employees.	4
		Staff HR	Categorizes data on human resources in boutique hotels. Sub-codes comprising this core code include high rates of turnover, staff retention, outsourcing and recruitment difficulties.	4
BHOs & BHMs	Boutique hotel context in Valletta	Collaboration with market actors	Categorizes data on the collaboration efforts or lack thereof of boutique hotels. Some sub-codes include communication, reasons for collaboration, initiatives to bring hotels together and lack of collaboration.	7
		Boutique hotel sector	Categorizes data on the dynamics between market actors in the boutique hotel sector.	4
	Impact of Covid-19 on BHs	Customer types during Covid-19	Categorizes data on changes in boutique hotel customers during Covid, specifically the uptake of domestic tourism during Covid-19.	1
		Impact of Covid-19 on BHs	Categorizes data on the impact of Covid-19 on boutique hotels. Some sub-codes include	19

			lack of customers, decrease in room rates, changing suppliers, and promotions.	
		Changes in intra-organizational processes due to Covid-19	Illustrates the changes that boutique hoteliers had to implement in processes as a result of Covid-19.	2
		Changes in hotel during Covid-19	Categorizes data on the changes implemented in boutique hotels as a result of Covid-19.	1
	Impact of Covid-19 on innovation	Motivation to generate ideas	Categorizes data on the motivation of boutique hotel owners and managers to generate ideas during Covid-19.	6
		Resources for innovation	Lists the resources boutique hoteliers allocated to innovation during Covid-19.	1
	Impact of Covid-19 on HR	Impact of Covid on morale	Outlines the impact of Covid-19 on staff morale in boutique hotels.	1
	Incentives/support	Government incentives	Categorizes data on the government incentives offered during Covid-19, including vouchers, wage supplements and loan schemes.	3
	Knowledge and Covid-19	Acquiring knowledge on Covid	Explores how boutique hotel owners and managers acquired knowledge on Covid-19. Some sub-codes include MHRA, MTA, health authorities and foreign news outlets.	8
		Role of prior knowledge in handling Covid	Illustrates how prior knowledge was used by respondents to react to Covid-19.	1
	Attributes of BHs	Overarching theme of hotel	Illustrates the themes adopted in boutique hotels.	1
		Differences from large hotels	Categorizes data on divergences between boutique hotels and larger hotels. Some sub-	4

			codes include standard design and formal environment.	

Appendix U: BHOs and BHMs Core Codes – Axial Coding

Theme	Core code	Description	Number of sub-codes
Meaning of innovation	Perceived meaning of innovation	Focuses on the perceived meaning of innovation from the perspective of both BHOs and BHMs. Some sub-codes comprising this core code include process innovation and product innovation.	8
Innovation outcomes and micro-foundations	Innovation	Categorizes all data related to innovation outcomes and micro-foundation processes in BHs. Some of the sub-codes comprising this core code include role of employees in the innovation process, role of owners in the innovation process, innovation outcomes during Covid-19, innovation outcomes during operations, innovation outcomes prior to opening, idea generation, research, knowledge assembly and barriers to innovation.	48
Knowledge-based dynamic capabilities	Firm-level capabilities	Categorizes data on knowledge-based dynamic capabilities. Some of the sub-codes comprising this core code included dedicated roles, socialization capabilities, and technology and knowledge creation.	36
Context of investigation	Valletta as a destination	Comprises data on the emergence of both Valletta as a destination and the boutique hotel phenomenon in Valletta, Malta.	1
	Boutique hotel sector in Valletta	Focuses on the market dynamics in the boutique hotel sector in Valletta, Malta. Examples of some of the sub-codes comprising this core code include weak	8

		relational ties, collaborations with other boutique hotels, competition, and failed initiatives.	
	Covid-19	Categorizes data related to Covid-19. Examples of some sub-codes include impact of Covid-19 on motivation, changing target audiences and role of experience.	11
Establishing BHs	Boutique hotel owners	Categorizes data on the inception of the investigated BHs from the BHO's perspective. Sub-codes include collaborations when developing the hotel, process of developing the hotel and identifying opportunities to purchase the hotel.	6
Boutique hotels	Boutique hotel characteristics	Illustrates the characteristics of boutique hotels, such as their décor, limited facilities, personalized approach, and intimate communications with customers.	8
	Importance of 'character' of personnel	Categorizes data on the importance/the role of charisma in staff in BHs. Here, emphasis was attributed to organizing data based on the key skills required by human resources to 'fit' the boutique hotel concept.	2
Knowledge	Importance of prior experience in tourism	Focuses on the value of prior experience in the tourism sector. The sub-codes in this core code include negative, not required, and positive.	3
	Importance of education in tourism	Illustrates the value or lack thereof that BHMs and BHOs attribute to the role of educational qualifications in relation to accommodation provisions.	2

Organizational attributes	Hotel attributes	Lists the attributes of the BHs in the sample. Some sub-codes comprising this core code include organizational structure, changes in ownership, leasing *versus* buying the hotel and the strategic direction of the hotel.	12
	Organizational climate/culture	Categorises data related to the organizational climate/s present in BHs. Some of the sub-codes comprising this core code include incentives for innovation, motivation and communication.	16

Appendix V: Innovations by Ownership Structure and Context

Innovations implemented in BHs prior to the opening of each BH

BOUTIQUE HOTEL OWNERSHIP	BH NUMBER	Product innovation		Service Innovations			Process innovations			Marketing innovations		Revenue stream innovations		Total innovations per hotel
		Design driven innovation	Architectural innovation	Heterogeneous service experiences	Novel service delivery (personalisation)	New or improved services	New or improved work methods	Digitisation	Eco-innovation innovation	Promotions/ offers	Advertising/branding innovation	Revenue diversification	New approach to structuring pricing	
INDEPENDENTLY OWNED BOUTIQUE HOTELS	BH1	Curated art used to design the hotel	Expansion of the hotel through the addition of another floor		Intimate communications with guests									3
	BH2				Unlimited interaction time with guests			Implementation of self-service check-in systems						2
	BH3				Personalised guest holidays through customised itinerary plans			Implementation of self-service check-in systems						2
	BH4				Intimate communications with guests			Online check-in and check-out				Leasing restaurant operations		3
	BH5		Expansion of the hotel through the addition of new rooms / Developing spa and pool facilities in the hotel		Intimate communications with guests							Leasing spa operations		4
	BH6	Curated furniture purchased from auctions used to furnish the hotel				Museum tours included in service offering / Choice of mattress	Using staff to manage both the museum and the hotel					Leasing restaurant operations		5
	BH7	USB ports in rooms			Offering room service based on the availability of take-away food options from restaurants in the area / Intimate communications with guests									3
	BH8	Library in the hotel	Structural changes implemented in hotel rooms			Selling art on display at the hotel		Implementation of self-service check-in systems						4
	BH9	Safe with integrated technology in order for hotel guests to charge their electronic devices			Intimate communications with guests		Hotel developed off-site laundrette		Implementation of smart energy system		Rebranding the hotel		Mini-bar fee included in the price of the hotel room	6
TOTAL INNOVATIONS BY CATEGORY		5	4	0	8	3	2	4	1	0	1	3	1	
CHAIN-OWNED BOUTIQUE HOTELS	BH10													0
	BH11	Thematised decor	Establishing outdoor and indoor pools, a stream room and a spa in the hotel		Intimate communications with guests						Historic background of hotel marketed in promotional material			4
TOTAL INNOVATIONS BY CATEGORY		1	1	0	1	0	0	0	0	0	1	0	0	
MULTI-SECTOR GROUP OWNED BOUTIQUE HOTELS	BH12							Online check-in and check-out	Implementation of energy management system					2
	BH13		Equipping rooms with a private sauna	Destination restaurant		Hotel started offering family rooms		Digitally connected stay through intelligent systems			Historic background of hotel marketed in promotional material			5
	BH14	Interactive TVs	Establishing a pool, rooms with jacuzzis and a conference room in the hotel	Hotel established a 'movie' house		Hotel started offering pet friendly rooms								4
TOTAL INNOVATIONS BY CATEGORY		1	2	2	0	2	0	2	1	0	1	0	0	
TOTAL INNOVATIONS: ALL HOTELS		7	7	2	9	5	2	6	2	0	3	3	1	47

Innovations implemented in BHs during operations

BOUTIQUE HOTEL OWNERSHIP	BH NUMBER	Product innovation		Service Innovations			Process innovations			Marketing innovations		Revenue stream innovations		Total innovations per hotel
		Design driven innovation	Architectural innovation	Heterogeneous service experiences	Novel service delivery (personalisation)	New or improved services	New or improved work methods	Digitisation	Eco-innovation innovation	Promotions/offers	Advertising/branding innovation	Revenue diversification	New approach to structuring pricing	
INDEPENDENTLY OWNED BOUTIQUE HOTELS	BH1		Expansion of hotel through the addition of rooms	Hotel developed and started offering 'experience' packages to guests, e.g., picnic experiences		Improved quality of breakfast	Restructuring staff		Installation of shampoo and conditioner dispensers					5
	BH2	Installation of sound systems in rooms; Installation of coffee machines in rooms		Introduction of aperitif service on hotel roof		Daily changes in breakfast specials; Improved quality of breakfast		Automated replies to frequently asked questions						6
	BH3	Upgrading coffee machines in rooms	Extension of the hotel through the addition of two floors										Mini-bar fee included in the price of the room	3
	BH4					Improved quality of breakfast	In-house towel cleaning service; Bookings processed by night staff	Website updates						4
	BH5													0
	BH6					Improved quality of breakfast		Business WhatsApp account for communication with guests		10% discount offered on in-house restaurant dining				3
	BH7					Hotel started offering pet friendly rooms; Introduction of breakfast service	Resourcing the hotel with part-time staff	Upgraded internal booking system						4
	BH8													0
	BH9													0
TOTAL INNOVATIONS BY CATEGORY		3	2	2	0	7	4	4	1	1	0	0	1	
CHAIN-OWNED BOUTIQUE HOTELS	BH10					Started offering specialized/ niche massages					Collaborations with national and international social media influencers to promote the hotel; Collaborations with local celebrities to promote the hotel; Featuring the hotel in TV programs; Collaborations with clothing brands to shoot a clothing campaign at the hotel			5
	BH11					Introduction of a semi-buffet breakfast alongside an a la carte breakfast (already) offered by the hotel		Web-based intra-organizational communication systems	Installation of shampoo and conditioner dispensers; Glass bottles offered to guests instead of plastic bottles; Smart systems implemented in the hotel, e.g., AC switches off when guests leave their rooms		Collaborations with social media influencers to promote the hotel			6
TOTAL INNOVATIONS BY CATEGORY		0	0	0	0	2	0	1	3	0	5	0	0	
MULTI-SECTOR GROUP OWNED BOUTIQUE HOTELS	BH12								Changing all coffee pods to recyclable coffee pods; Transforming processes into paperless processes					2
	BH13			Hotel developed and started offering 'experience' packages to guests (private shopping, cooking, winery visits, etc.)			Hotel established (hospitality) training academy	Upgraded internal bookings system						3
	BH14	Opened during Covid-19												
TOTAL INNOVATIONS BY CATEGORY		0	0	1	0	0	1	1	2	0	0	0	0	41
TOTAL INNOVATIONS: ALL HOTELS		3	2	3	0	9	5	6	6	1	5	0	1	

Innovations implemented in BHs during Covid-19

BOUTIQUE HOTEL OWNERSHIP	BH NUMBER	Product innovation		Service Innovations			Process innovations			Marketing innovations		Revenue stream innovations		Total innovations per hotel
		Design driven innovation	Architectural innovation	Heterogeneous service experiences	Novel service delivery (personalisation)	New or improved services	New or improved work methods	Digitisation	Eco-innovation innovation	Promotions/ offers	Advertising/branding innovation	Revenue diversification	New approach to structuring pricing	
INDEPENDENTLY OWNED BOUTIQUE HOTELS	BH1							Integrated QR code into service offering						1
	BH2												Renting rooms long-term	1
	BH3													0
	BH4												Renting rooms long-term	1
	BH5					Offering PCR tests at the hotel	Scheduled breakfasts / Restructuring staff							3
	BH6						Remote management of hotel	Installation of IT systems to manage the hotel remotely						2
	BH7						Night receptionist responsible for setting-up breakfast service	Website updates						2
	BH8	Installation of sound systems in rooms / Implemented changes to decor				Introduced breakfast to service offering	Developed and implemented app for customers to access information about Valletta / Online recruitment interviews		Green accreditation / Neutralised carbon footprint / Implemented processes for waste separation / Changing suppliers to procure food locally					9
	BH9								Towel reuse initiative		Developed new targeting and segmentation strategy		Eco-tax included in booking.com fee	3
TOTAL INNOVATIONS BY CATEGORY		2	0	0	0	2	4	5	5	0	1	0	3	
CHAIN-OWNED BOUTIQUE HOTELS	BH10													0
	BH11													0
TOTAL INNOVATIONS BY CATEGORY		0	0	0	0	0	0	0	0	0	0	0	0	
MULTI-SECTOR GROUP OWNED BOUTIQUE HOTELS	BH12			Hotel developed and started integrating 'experience' into the turn-down service for guests to enjoy, e.g., cocktail ritual, tea experience, and facial ritual			Connected strategy / Development of cross-functional teams to generate novel ideas for the hotel / Restructured the organisation to align with the agile methodology / Implementation of six thinking hats during meetings / Workshops on strength-based leadership	Cloud-based property management system	Local purchasing to neutralise carbon footprint					8
	BH13													0
	BH14						Training provided to staff to help them better understand Valletta and the attractions in the city	Chatbots on website / Implementation of intranet / Integrated QR code into service offering	Water jugs offered to guests instead of plastic bottles / Implementation of processes to neutralise carbon footprint					6
TOTAL INNOVATIONS BY CATEGORY		0	0	1	0	0	6	4	3	0	0	0	0	36
TOTAL INNOVATIONS: ALL HOTELS		2	0	1	0	2	10	9	8	0	1	0	3	36

Appendix W: Categorizations of Incremental and Radical Innovations

Innovations Prior to Opening the Hotel	
Incremental innovations	**Radical Innovations**
Curated art used to design the hotel	Hotel developed a cinema
Expansion of the hotel through the addition of another floor	Implementation of smart energy systems
Expansion of the hotel through the addition of rooms	Implementation of energy management systems
Structural changes implemented in hotel rooms	Digitally connected stay through intelligent systems
Customising guest holidays through personalized itinerary plans	Hotel established a destination restaurant
Developing spa and pool facilities in the hotel	Curated furniture used from auctions to furnish the hotel
Museum tours included in service offering	Selling the art on display at the hotel
Allowing guests to choose the preferred firmness of their mattress	Property linked to historic background
USB-ports in rooms	Property linked to historic background
Safe with integrated technology in order for hotel guests to charge their electronic devices	
Developing outdoor and indoor pool, steam room and spa in the hotel	
Themed décor	
Private sauna in rooms	
Offers family rooms	
Offers pet friendly rooms	
Developing a pool, rooms with jacuzzis, and a conference room in the hotel	
Implementation of self-service check-in systems	
Implementation of self-service check-in systems	
Implementation of self-service check-in systems	
Online check-in and check-out	
Online check-in and check-out	
Interactive TVs	
Intimate communications with hotel guests	
Intimate communications with hotel guests	
Intimate communications with hotel guests	
Intimate communications with hotel guests	
Intimate communications with hotel guests	
Intimate communications with hotel guests	
Unlimited interaction time with hotel guests	
Rebranding of the hotel	
Mini bar fee included in the price of the room	
Hotel developed off-site laundrette	
Leasing restaurant operations	
Leasing restaurant operations	
Leasing spa operations	
Using staff to manage both the hotel and museum tours	
Offering room service based on the availability of take-out food options from restaurants in the area	
Library facilities established in the hotel	

Innovations Implemented During (regular) Operations	
Incremental innovations	**Radical Innovations**
Hotel developed and started offering 'experience' packages to guests, e.g., picnic experiences	Business WhatsApp account for communication with hotel guests
Improved breakfast (quality of ingredients)	Smart systems implemented in the hotel, e.g., AC switches off when guests leave their rooms
Improved breakfast (quality of ingredients)	Hotel established (hospitality) training academy
Improved breakfast (quality of ingredients)	
Improved breakfast (quality of ingredients)	
Improved breakfast (quality of ingredients)	
Installation of shampoo and conditioner dispensers	
Installation of shampoo and conditioner dispensers	
Extension of hotel through the addition of rooms	
Introduction of aperitif service on hotel roof	
Daily changes in breakfast specials	
Installation of coffee machines in rooms	
Installation of sound systems in rooms	
Upgrading of coffee machines in rooms	
Extension of the hotel through the addition of two floors	
Pet friendly rooms	
Introduction of breakfast services	
Started offering specialised/niche massages, e.g., peaceful pregnancy massage	
Glass bottles offered to guests instead of plastic bottles	
Changing all coffee pods to recyclable coffee pods	
Hotel developed and started offering 'experience' packages to guests (private shopping, cooking, winery visits, etc.)	
Automated email replies to frequently asked questions by guests	
In-house towel cleaning services	
Bookings processed by night staff	
Upgraded internal bookings system	
Web-based intra-organizational communication systems	
Upgraded internal bookings system	
Resourcing the hotel with part-time staff	
Mini bar fee included in the price of the room	
Website updates	
10% discount offered on in-house restaurant dining	
Collaborations with national and international social media influencers to promote the hotel	
Collaborations with local celebrities to promote the hotel	
Introduction of a semi-buffet breakfast alongside an a la carte breakfast (already) offered by the hotel	
Transforming all processes into paperless processes	
Featuring the hotel in TV programmes	
Collaborations with clothing brands to shoot a clothing campaign at the hotel	
Collaborations with social media influencers to promote the hotel	

Innovations Implemented During Covid-19	
Incremental innovations	**Radical Innovations**
Selling rooms 'long-let' (longer durations of time than the average stay usually catered for by hotels)	Remote management of the hotel
Selling rooms 'long-let' (longer durations of time than the average stay usually catered for by hotels)	Green accreditation
Offering PCR tests at the hotel	Implementation of processes to neutralized the hotel's carbon footprint
Introducing breakfast service	Connected strategy (mining data on customers though 'connecting'/integrating several digital technologies to personalize the services offered by the hotel)
Installation of sound systems in rooms	Development of cross-functional teams to generate novel ideas aimed at improving the hotel, it's service offering and performance
Towel reuse initiative	Restructuring the organization to align with the agile methodology
Hotel developed and started integrating 'experience' into the turn-down service for guests to enjoy, e.g., cocktail ritual, tea experience, and facial ritual	Hotel implemented workshops on strength-based leadership
Refillable water jugs offered to guests instead of plastic bottles	Implementation of six-thinking hats during meetings to stimulate creative thinking
Integratin of QR codes into service offering	Developed and implemented app for customers to access information about Valletta
Scheduled breakfast	Implementation of processes to neutralized the hotel's carbon footprint
Online recruitment (interviews conducted online)	Technology integrated into the hotel's infrastructure to manage all processes and activities remotely
Implementation of processes to separate waste	
Eco-tax included in booking.com fee (pre-paid eco-tax)	
Chatbots on hotel's website	
Implementation of intranet	
Restructuring staff	
Night receptionist responsible for setting-up breakfast services	
Website updates	
Altering marketing strategy through revising the hotel's target segments and positioning	
Local purchasing to neutralise carbon footprint	
Cloud-based property management system	
Changing food suppliers to local suppliers	
Implemented changes to décor	
Integrated QR code into servie offering	
Training provided to staff to help them better understand Valletta and the attractions in the city	

Appendix X: Coding Chart Micro-Foundation Processes

		Process 1 (ideation)												
		Internal sensing								External sensing				
		Prior industry-related knowledge	Prior sector unrelated knowledge	Resource constraints	Deliberate reflection	Intrinsic hotel observations	Testing the hotel	Observing competitors	Travel	Internet searches	Social media platforms	Reading books/ Magazines	Online reviews about the hotel	Online reviews about competitors
Boutique Hotel Owners	BHO1.1						1		1					
	BHO5.1								1					
	BHO6.1				1	1	1	1		1			1	
	BHO7.1	1		1	1			1	1	1	1		1	1
	BHO8.1									1		1		
	BHO11.1								1		1		1	
	BHO12.1	1			1				1			1	1	
	BHO13.1	1			1	1		1	1				1	
	BHO14.1		1		1	1	1		1				1	
Boutique Hotel Employees	BHM1.1	1		1	1			1	1	1			1	1
	BHM2.1			1		1							1	
	BHM2.2	1		1			1		1		1		1	
	BHM3.1	1						1	1					
	BHM4.1	1		1					1					
	BHM5.1					1							1	
	BHM6.1					1					1		1	
	BHM7.1	1	1		1				1	1			1	
	BHM8.1	1											1	
	BHM9.1	1			1				1	1				
	BHM9.2							1		1	1		1	1
	BHM10.1	1		1					1		1			
	BHM11.1	1		1	1				1				1	
	BHM12.1	1					1	1	1				1	
	BHM13.1	1										1	1	
	BHM14.1	1			1				1	1			1	
TOTAL		15	2	7	10	6	5	7	17	8	6	3	18	3

Process 1 (ideation)

		External Socialisation				Internal Socialisation				Knowledge Leverage		
		Discussions with guests	Discussions with other boutique hotels	Discussions with colleagues in the industry	Discussions with family/friends	Informal in-person discussions with colleagues	Designated meetings	Board meetings	Cross functional teams	Instant messaging platforms	Meetings/Board Meetings	
Boutique Hotel Owners	BHO1.1	1										1
	BHO5.1	1	1									2
	BHO6.1		1		1	1				1		4
	BHO7.1	1	1	1		1				1		5
	BHO8.1	1	1	1	1	1	1				1	7
	BHO11.1	1	1			1				1		4
	BHO12.1	1			1			1	1		1	5
	BHO13.1			1			1	1			1	4
	BHO14.1			1		1		1			1	4
Boutique Hotel Employees	BHM1.1	1				1						2
	BHM2.1	1	1	1		1				1		5
	BHM2.2	1				1				1		3
	BHM3.1	1		1	1		1				1	5
	BHM4.1	1	1			1						3
	BHM5.1	1				1				1		3
	BHM6.1	1	1			1				1		4
	BHM7.1	1	1			1				1		4
	BHM8.1	1			1	1	1			1	1	6
	BHM9.1						1				1	2
	BHM9.2	1	1			1						3
	BHM10.1	1		1		1						3
	BHM11.1	1	1	1		1				1		5
	BHM12.1	1	1	1	1			1	1	1	1	8
	BHM13.1			1		1		1			1	4
	BHM14.1	1	1	1		1		1			1	6
TOTAL		20	13	11	6	18	5	6	2	11	10	

Processes 2 to 9 (Market Research to Implementation)

	Market Research	Knowledge creation					Testing ideas	Decision-making			Knowledge assembly	Innovation
		Direct explanation of ideas to BHO	Direct explanation of ideas to BHM	Discussions with colleagues and with the BHO	Formal meetings for the discussion of ideas	Board meetings		Owners ultimate decision-makers	Decision-making autonomy	Board of directors		
BHO1.1								1				1
BHO5.1												1
BHO6.1								1				1
BHO7.1	1			1				1				1
BHO8.1			1					1	1			1
BHO11.1			1		1							1
BHO12.1	1					1	1		1	1	1	1
BHO13.1	1					1				1	1	1
BHO14.1	1		1			1				1	1	1
BHM1.1	1	1						1	1			1
BHM2.1							1					1
BHM2.2	1			1			1		1			1
BHM3.1					1			1				1
BHM4.1	1				1			1	1			1
BHM5.1		1		1				1				1
BHM6.1		1						1				1
BHM7.1	1	1	1					1				1
BHM8.1	1	1	1	1				1				1
BHM9.1			1		1							1
BHM9.2				1				1				1
BHM10.1					1							1
BHM11.1	1				1			1	1			1
BHM12.1	1					1	1		1	1	1	1
BHM13.1	1			1		1	1		1	1	1	1
BHM14.1				1		1			1	1	1	1
Totals	12	5	6	7	6	6	5	13	9	6	6	25

Processes 2 to 9 (Market Research to Implementation)

	Knowledge sharing							Feedback post-innovation	
	Email	Handover manual	In-person knowledge sharing	Notices	Updated protocols	Communication Software	Informal chats on social media platforms	Hotel guests	Staff
BHO1.1									
BHO5.1									
BHO6.1	1						1		
BHO7.1								1	
BHO8.1			1	1			1		
BHO11.1									
BHO12.1									
BHO13.1									
BHO14.1	1					1			
BHM1.1		1	1						
BHM2.1			1				1		
BHM2.2									1
BHM3.1	1	1							
BHM4.1							1		
BHM5.1	1	1					1		1
BHM6.1							1		
BHM7.1									
BHM8.1	1		1					1	
BHM9.1									
BHM9.2					1				
BHM10.1			1						
BHM11.1	1		1						
BHM12.1			1			1		1	
BHM13.1			1						
BHM14.1			1			1			
Totals	6	3	9	1	1	3	6	3	2

Appendix Y: Coding Chart RQ1

Definition of innovation in BHs (RQ1)

Product innovation/accommodation idiosyncrasy			Service innovation/heterogeneous service experiences	Process innovation/changes in intra-organizational processes and methods of working			Marketing Innovations
Product differentiation	Aesthetic individualism	Use of a heritage premises	Cultivation of novel and memorable experiences	New ways of working	Digitising operations	Technology-driven and non-tech driven eco-innovations	Novel service delivery
BHO5.1	BHM3.1	BHO1.1	BHM2.1	BHM10.1	BHM4.1	BHM1.1	BHM2.2
BHO6.1	BHO11.1	BHO11.1	BHO8.1	BHO13.1	BHO12.1	BHM6.1	BHM3.1
BHM11.1	S1	S2	BHM12.1	BHM14.1	S8	BHO8.1	BHM5.1
BHO13.1	S2	S4	BHM13.1	BHM4.1	S5	BHO12.1	BHM7.1
BHM13.1	S5	S6	S1	BHO7.1			BHO8.1
BHO14.1	S7	F3R2	S4	BHM13.1			BHM9.1
BHM14.1	S8	F3R4	S5				BHM9.2
	S10	F4R5	S7				BHM10.1
	F1R2	F3R6					BHO5.1
	F2R7	F4R5					BHO7.1
	F4R4						BHM12.1
							BHM1.1
							S6
							S7
							S10
							S3
							S9

Appendix Z: Coding Chart RQ3

Capabilities Applied in BHs

Acquisition Capability				Combinative capability	Assimilation Capability		Transformation Capability		Exploitation Capability
Discussions with BHs	Feedback from guests	2) Market research	3) IT systems	1) Intra-organizational socialisation	1) Analytical studies	2) HR practices: Training and Development	1) Outsourced training	2) Hiring experienced personnel	1) Formalised decision-making procresses
BHO8.1	BHM12.1	BHM7.1	BHM9.1	BHM12.1	BHM11.1	BHM12.1	BHM13.1	BHO14.1	BHM12.1
BHM4.1	BHM1.1	BHO7.1	BHM9.2	BHO12.1	BHM12.1	BHO12.1	BHM12.1	BHO13.1	BHO12.1
BHO11.1	BHO1.1	BHM11.1	BHM11.1	BHM13.1	BHO12.1	BHM13.1			BHM13.1
BHM11.1	BHO11.1	BHM9.1	BHM12.1	BHO13.1	BHM13.1	BHO13.1			BHO13.1
BHO7.1	BHM10.1	BHM2.1	BHO12.1	BHM14.1	BHO13.1	BHM14.1			BHM14.1
BHO5.1	BHO7.1		BHM13.1	BHO14.1	BHM14.1	BHO14.1			BHO14.1
BHM5.1	BHM2.2		BHO13.1		BHO14.1				
BHM9.2			BHM14.1						
			BHO14.1						

References

Aas, T. H. (2016). Open service innovation: The case of tourism firms in Scandinavia. *Journal of Entrepreneurship, Management and Innovation*, 12(2), 53-76.

Abell, P., Felin, T., & Foss, N. (2008). Building micro-foundations for the routines, capabilities, and performance links. *Managerial and decision economics*, 29(6), 489-502. https://doi.org/10.1002/mde.1413

AlKayid, K., Selem, K. M., Shehata, A. E., & Tan, C. C. (2023). Leader vision, organizational inertia and service hotel employee creativity: Role of knowledge-donating. *Current Psychology*, 42(4), 3382-3394. https://doi.org/10.1007/s12144-022-02743-6

Amabile, T. M., & Pratt, M. G. (2016). The dynamic componential model of creativity and innovation in organizations: Making progress, making meaning. *Research in organizational behavior*, 36, 157-183. https://doi.org/10.1016/j.riob.2016.10.001

Arksey, H., & Knight, P. T. (1999). *Interviewing for social scientists*. SAGE. https://dx.doi.org/10.4135/9781849209335.n3

Ashworth, G. J., & Tunbridge, J. E. (2017). Multiple approaches to heritage in urban regeneration: the case of City Gate, Valletta. *Journal of Urban Design*, 22(4), 494-501. https://doi.org/10.1080/13574809.2015.1133230

Backman, M., Klaesson, J., & Öner, Ö. (2017). Innovation in the hospitality industry: Firm or location?. *Tourism Economics*, 23(8), 1591-1614. https://doi.org/10.1177/1354816617715159

Bailey, J. S. & Burch, M. R. (2002). *Research methods in applied behavior analysis*. SAGE. https://dx.doi.org/10.4135/9781412985710

Baldacchino, G. (2013). Island Tourism. In Holden, A., & Fennell, D. A. (Eds.), *The Routledge handbook of tourism and the environment* (pp. 200-208). Routledge.

Baldacchino, G. (2014). Capital and port cities on small islands sallying forth beyond their walls: A Mediterranean exercise. *Journal of Mediterranean Studies*, 23(2), 137-151.

Băltescu, C. A., & Boșcor, D. (2016). The development of boutique hotels in Brașov city. *Ovidius University Annals: Economic Sciences Series*, 16(1), 274-278.

Baradarani, S., & Kilic, H. (2018). Service innovation in the hotel industry: culture, behavior, performance. *The Service Industries Journal*, 38(13-14), 897-924. https://doi.org/10.1080/02642069.2017.1420172

Barney, J. A. Y., & Felin, T. (2013). What are microfoundations?. *Academy of Management Perspectives*, 27(2), 138-155. https://doi.org/10.5465/amp.2012.0107

Barreto, I. (2010). Dynamic capabilities: A review of past research and an agenda for the future. *Journal of management*, 36(1), 256-280. https://doi.org/10.1177/0149206309350776

Baunsgaard, V. V., & Clegg, S. R. (2015). Innovation: A critical assessment of the concept and scope of literature. In Agarwal, R., Selen, W., Roos, G., & Green, R. (Eds.), *The Handbook of Service Innovation* (pp. 5-25). Springer. https://doi.org/10.1007/978-1-4471-6590-3_1

Baytok, A., Soybali, H. H., & Zorlu, O. (2014). Knowledge management processes in thermal hotels: An application in Afyonkarahisar Province, Turkey. *Journal of Economic and Social Studies*, 4(1), 159-182.

Becker, M. C. (2005). The concept of routines: some clarifications. *Cambridge journal of Economics*, 29(2), 249-262. https://doi.org/10.1093/cje/bei031

Benaquisto, L. (2008). Open Coding. In Given, L. M. (Ed.), *The SAGE encyclopedia of qualitative research methods* (Vol. 2, pp. 581-582). SAGE. http://dx.doi.org/10.4135/9781412963909.n306

Bharwani, S., & Mathews, D. (2021). Techno-business strategies for enhancing guest experience in luxury hotels: a managerial perspective. *Worldwide Hospitality and Tourism Themes*, 13(2), 168-185. https://doi.org/10.1108/WHATT-09-2020-0121

Biemans, W. G., Griffin, A., & Moenaert, R. K. (2016). Perspective: New service

    development: How the field developed, its current status and recommendations for

    moving the field forward. *Journal of product innovation management*, 33(4), 382-397.

    https://doi.org/10.1111/jpim.12283

Binder, P., Mair, M., Stummer, K., & Kessler, A. (2016). Organizational innovativeness

    and its results: a qualitative analysis of SME hotels in Vienna. *Journal of Hospitality

    & Tourism Research*, 40(3), 339-363. https://doi.org/10.1177/1096348013496277

Binder, P. (2020). Impacts of network relationships on absorptive capacity in the context of

    innovation. *The Service Industries Journal*, 40(13-14), 974-1002.

    https://doi.org/10.1080/02642069.2018.1533955

Bindra, S., Sharma, D., Bhardwaj, R., Dhir, S., & Srivastava, S. (2023). Knowledge-based

    dynamic capability: Concept mapping, usage, and taxonomy. *Knowledge and Process

    Management*, 30(1), 65-82. https://doi.org/10.1002/kpm.1736

Bitner, M. J., Ostrom, A. L., & Morgan, F. N. (2008). Service blueprinting: a practical

    technique for service innovation. *California management review*, 50(3), 66-94.

    https://doi.org/10.2307/41166446

Björk, P. (2014). The DNA of tourism service innovation: a quadruple helix approach.

    Journal of the Knowledge Economy, 5, 181-202. https://doi.org/10.1007/s13132-014-

    0183-x

Booyens, I., & Rogerson, C. M. (2016). Tourism innovation in the global South: evidence from the Western Cape, South Africa. *International Journal of Tourism Research*, 18(5), 515-524. https://doi.org/10.1002/jtr.2071

Boutique Lifestyle Leaders Association. (n.d.). *Boutique Hotel Definition*. https://blla.org/categories-definitions/

Brinkmann, S. (2018). The Interview. In Denzin, N. K., & Lincoln, Y. S. (Eds.), *The SAGE handbook of qualitative research* (5th Ed, pp. 576-599). SAGE.

Buhagiar, K. (2022). Innovation in Boutique Hotels in Valletta, Malta: A Multi-level Investigation. In Bernardio, J., Masciari, E., Rolland, C., & Filippe, J (Eds), *Proceedings Volume 3*: KMIS: IC3K 2022 14th International Conference on Knowledge Discovery (pp. 95-106). 106. DOI: 10.5220/0011585500003335

Buhagiar, K., Pace, L. & Dingli, S. (2021). Service Innovation: A Knowledge-based Approach. In Bernardio, J., Masciari, E., Rolland, C., & Filippe, J (Eds), *Proceedings Volume 3*: KMIS: IC3K 2021 13th International Conference on Knowledge Discovery, Knowledge Engineering and Knowledge Management (pp. 119-125). DOI: 10.5220/0010652900003064

Buhagiar, K., Pace, L.A. and Dingli, S.M. (2024). Defining attributes of boutique hotels: a systematic literature review. *Journal of Hospitality and Tourism Insights*, 7(1), 207-226. https://doi.org/10.1108/JHTI-09-2022-0435

Buhagiar, K., Pace, L.A., Dingli, S.M. (2023). Innovation Processes and Information

    Technologies: A Study of Boutique Hotels in Valletta, Malta. In Coenen, F., et al.

    (Eds), *Knowledge Discovery, Knowledge Engineering and Knowledge Management.*

    IC3K 2022. Communications in Computer and Information Science (pp. 334-356).

    Springer. https://doi.org/10.1007/978-3-031-43471-6_16

Camisón, C., Boronat-Navarro, M., & Forés, B. (2018). The interplay between firms'

    internal and external capabilities in exploration and exploitation. *Management*

    Decision, 56(7), 1559-1580. https://doi.org/10.1108/MD-07-2016-0502

Camisón, C., & Monfort-Mir, V. M. (2012). Measuring innovation in tourism from the

    Schumpeterian and the dynamic-capabilities perspectives. *Tourism management*,

    33(4), 776-789. https://doi.org/10.1016/j.tourman.2011.08.012

Camisón-Zornoza, C., Forés-Julián, B., Puig-Denia, A., & Camisón-Haba, S. (2020).

    Effects of ownership structure and corporate and family governance on dynamic

    capabilities in family firms. *International Entrepreneurship and Management Journal*,

    16, 1393-1426. https://doi.org/10.1007/s11365-020-00675-w

Carlborg, P., Kindström, D., & Kowalkowski, C. (2014). The evolution of service

    innovation research: a critical review and synthesis. *The Service Industries Journal*,

    34(5), 373-398. https://doi.org/10.1080/02642069.2013.780044

Cassell, C., Cunliffe, A. L., & Grandy, G. (2018). *The sage handbook of qualitative business and management research methods*. SAGE. https://dx.doi.org/10.4135/9781526430212

Chaperon, S., & Theuma, N. (2016). The Malta-Gozo-Comino story: Implications of a Malta-Gozo fixed link on tourism activity. In G. Baldacchino (Ed), *Archipelago tourism: policies and practices* (pp. 51-66). Routledge.

Chang, T. C. (2010). Bungalows, mansions and shophouses: Encounters in architourism. *Geoforum*, 41(6), 963-971. https://doi.org/10.1016/j.geoforum.2010.07.003

Chang, T. C., & Teo, P. (2009). The shophouse hotel: Vernacular heritage in a creative city. *Urban Studies*, 46(2), 341-367. https://doi.org/10.1177/0042098008099358

Chang, S., Way, S. A., & Cheng, D. H. (2018). The elicitation of frontline, customer-contact, hotel employee innovative behavior: illuminating the central roles of readiness for change and absorptive capacity. *Cornell Hospitality Quarterly*, 59(3), 228-238. https://doi.org/10.1177/1938965517734940

Chapman, D., & Cassar, G. (2004). Valletta. *Cities*, 21(5), 451-463. https://doi.org/10.1016/j.cities.2004.07.001

Chen, W. J. (2011). Innovation in hotel services: Culture and personality. *International Journal of Hospitality Management*, 30(1), 64-72. https://doi.org/10.1016/j.ijhm.2010.07.006

Clark, A. M. (2008). Critical Realism. In Given, L. M. (Ed.), *The SAGE encyclopedia of qualitative research methods* (Vol. 1, pp. 167-169). SAGE. http://dx.doi.org/10.4135/9781412963909.n306

Cohen, W. M., & Levinthal, D. A. (1990). Absorptive capacity: A new perspective on learning and innovation. (technology, organizations, and innovation). *Administrative Science Quarterly*, 35(1), 128-152. https://doi.org/10.2307/2393553

Constantino, T.E. (2008). Constructivism. In Given, L. M. (Ed.), *The SAGE encyclopedia of qualitative research methods* (Vol. 1, pp. 116-119). SAGE. http://dx.doi.org/10.4135/9781412963909.n306

Cooper, R. G. (2008). Perspective: The stage-gate® idea-to-launch process—update, what's new, and nexgen systems. *Journal of product innovation management*, 25(3), 213-232. https://doi.org/10.1111/j.1540-5885.2008.00296.x

Creswell, J. W., & Poth, C. N. (2016). *Qualitative inquiry and research design: Choosing among five approaches* (4th Ed). SAGE.

Croes, R., Ridderstaat, J., & van Niekerk, M. (2018). Connecting quality of life, tourism specialization, and economic growth in small island destinations: The case of Malta. *Tourism Management*, 65, 212-223. https://doi.org/10.1016/j.tourman.2017.10.010

Crossan, M. M., & Berdrow, I. (2003). Organizational learning and strategic renewal. *Strategic management journal*, 24(11), 1087-1105. https://doi.org/10.1002/smj.342

Cultural Heritage Act, Chapter 445. (2002)

Curmi, F., & Sammut-Bonnici, T. (2014). Innovation strategy. In C. L. Cooper (Ed.), *Wiley encyclopedia of management*. John Wiley & Sons. https://doi.org/10.1002/9781118785317.weom120130

Custódio Santos, M., Ferreira, A., Costa, C., & Santos, J. A. C. (2020). A model for the development of innovative tourism products: From service to transformation. *Sustainability*, 12(11), 4362. https://doi.org/10.3390/su12114362

Dean, A., & Kretschmer, M. (2007). Can ideas be capital? Factors of production in the postindustrial economy: A review and critique. *Academy of Management Review*, 32(2), 573-594. https://doi.org/10.5465/amr.2007.24351866

Debono, J. (2019, November 19). Ray De Micoli: *'"No decline' in Valletta market for boutique hotels, architect says"*. *Malta Today*. https://www.maltatoday.com.mt/environment/townscapes/98695/no_decline_in_valletta_market_for_boutique_hotels

Deloitte. (2022, July 4). *Carrying Capacity Study for Tourism in the Maltese islands*. https://content.maltatoday.com.mt/ui/files/tourism_capacity_study_report.pdf

Den Hertog, P., Van der Aa, W., & De Jong, M. W. (2010). Capabilities for managing service innovation: towards a conceptual framework. *Journal of service Management*, 21(4), 490-514. https://doi.org/10.1108/09564231011066123

Denzin, N. K., & Lincoln, Y. S. (2018). *The SAGE handbook of qualitative research* (5th Ed). SAGE.

Depares, R. (2019, January 27). *Alex Dingli: "'We are slowly killing Valletta'"*. Times of Malta. https://timesofmalta.com/articles/view/we-are-slowly-killing-valletta.700289

Dev, C. S., & Keller, K. L. (2014). Brand revitalization. *Cornell Hospitality Quarterly*, 55(4), 333-341. https://doi.org/10.1177/1938965514525681

Donmoyer, R. (2008). Paradigm. In Given, L. M. (Ed.), *The SAGE encyclopedia of qualitative research methods* (Vol. 2, pp. 591-595). SAGE. http://dx.doi.org/10.4135/9781412963909.n306

Donate, M. J., Guadamillas, F., & González-Mohíno, M. (2023). Solving task management conflict in hotel establishments through knowledge management tools: effects on innovation capabilities. *Journal of Knowledge Management*, 27(11), 157-186. https://doi.org/10.1108/JKM-10-2022-0852

Drucker, P. (1993/2012). *Post-capitalist society*. Routledge.

Durst, S., Mention, A. L., & Poutanen, P. (2015). Service innovation and its impact: What do we know about?. *Investigaciones europeas de dirección y economía de la empresa*, 21(2), 65-72. https://doi.org/10.1016/j.iedee.2014.07.003

Ebejer, J. (2019). Urban heritage and cultural tourism development: A case study of

    Valletta's role in Malta's tourism. *Journal of Tourism and Cultural Change*, 17(3), 306-

    320. https://doi.org/10.1080/14766825.2018.1447950

Ebejer, J. (2020). Case Study 1: Overtourism in Valletta—Reality or Myth?. In H.

    Séraphin, T. Gladkikh, T. Vo Thanh (Eds.), *Overtourism* (pp. 107-128). Palgrave

    Macmillan.

Ebejer, J., Xuereb, K., & Avellino, M. (2021). A critical debate of the cultural and social

    effects of Valletta 2018 European Capital of Culture. *Journal of Tourism and Cultural*

    Change, 19(1), 97-112. https://doi.org/10.1080/14766825.2020.1849240

Edwards-Schachter, M. (2018). The nature and variety of innovation. *International Journal*

    of Innovation Studies, 2(2), 65-79. https://doi.org/10.1016/j.ijis.2018.08.004

Ellonen, H. K., Jantunen, A., & Kuivalainen, O. (2011). The role of dynamic capabilities in

    developing innovation-related capabilities. *International Journal of Innovation*

    Management, 15(03), 459-478. https://doi.org/10.1142/S1363919611003246

Elshaer, A. M., & Marzouk, A. M. (2022). Memorable tourist experiences: the role of

    smart tourism technologies and hotel innovations. *Tourism Recreation Research*, 1-13.

    https://doi.org/10.1080/02508281.2022.2027203

Engen, M., & Magnusson, P. (2015). Exploring the role of front-line employees as innovators. *The Service Industries Journal*, 35(6), 303-324. https://doi.org/10.1080/02642069.2015.1003370

Enz, C. A., & Way, S. A. (2016). Implementing service innovations in European hotels. *Service science*, 8(2), 97-107. https://doi.org/10.1287/serv.2015.0121

Felin, T., & Foss, N. J. (2005). Strategic organization: A field in search of micro-foundations. *Strategic Organization*, 3(4), 441-455. https://doi.org/10.1177/1476127005055796

Felin, T., & Foss, N. J. (2012). The (proper) microfoundations of routines and capabilities: a response to Winter, Pentland, Hodgson and Knudsen. *Journal of Institutional Economics*, 8(2), 271-288. https://doi.org/10.1017/S1744137411000506

Felin, T., & Foss, N. J. (2011). The endogenous origins of experience, routines, and organizational capabilities: the poverty of stimulus. *Journal of Institutional Economics*, 7(2), 231-256. https://doi.org/10.1017/S1744137410000214

Felin, T., Foss, N. J., & Ployhart, R. E. (2015). The microfoundations movement in strategy and organization theory. *Academy of Management Annals*, 9(1), 575-632. https://doi.org/10.1080/19416520.2015.1007651

Felin, T., Foss, N. J., Heimeriks, K. H., & Madsen, T. L. (2012). Microfoundations of routines and capabilities: Individuals, processes, and structure. *Journal of*

Management Studies, 49(8), 1351-1374. https://doi.org/10.1111/j.1467-6486.2012.01052.x

Fernandes, C., & Pires, R. A. R. (2021). What we (do not) know about research on innovation in hotels: a bibliometric analysis. *In Innovation and Entrepreneurial Opportunities in Community Tourism* (pp. 264-291). IGI Global. 10.4018/978-1-7998-4855-4.ch015

Firat, A., Turker, G. O., & Metin, I. (2014). Specification of target market in small and medium scale accomadation businesses: A study on boutique hotels operating in city of mugla. *tourismos*, 9(2), 279-299.

Flick, U. (2007). *Designing qualitative research*. SAGE. https://dx.doi.org/10.4135/9781849208826

Flick, U. (2018). *The sage handbook of qualitative data collection*. SAGE. https://dx.doi.org/10.4135/9781526416070

Foss, N. J., & Linder, S. (2019). *Microfoundations: nature, debate, and promise*. Cambridge University Press. https://doi.org/10.1017/9781108685498

Fox, N. J. (2008). Postpositivism. In Given, L. M. (Ed.), *The SAGE encyclopedia of qualitative research methods* (Vol. 2, pp. 659-664). SAGE. http://dx.doi.org/10.4135/9781412963909.n306

Franco, S., Presenza, A., & Messeni Petruzzelli, A. (2022). Luxury hotels as orchestrators in gastronomic destination development and management: the case of Borgo Egnazia and the Itria Valley. *International Journal of Contemporary Hospitality Management*, 34(9), 3440-3458. https://doi.org/10.1108/IJCHM-09-2021-1101

Fried, E. I. (2020). Theories and models: What they are, what they are for, and what they are about. *Psychological Inquiry*, 31(4), 336-344. https://doi.org/10.1080/1047840X.2020.1854011

Freni, G. (2022). Service Innovation: A Literature Review of Conceptual Perspectives. In F. Calabrò, L. Della Spina, M., J. Piñeira Mantiñán (Eds). *New Metropolitan Perspectives* (pp. 154-163). Springer. https://doi.org/10.1007/978-3-031-06825-6_15

Future Market Insights. (2024, March). *Boutique Hotel Market*. https://www.futuremarketinsights.com/reports/boutique-hotel-sector-outlook

Galanakis, K. (2006). Innovation process. Make sense using systems thinking. *Technovation*, 26(11), 1222-1232. https://doi.org/10.1016/j.technovation.2005.07.002

Galea, D. (2012). *Boutique hotels in the Maltese Context* [Unpublished Bachelor of Arts thesis]. Institute for Tourism, Travel & Culture, University of Malta. Retrieved from https://www.um.edu.mt/library/oar/handle/123456789/7173

Gallouj, F., & Weinstein, O. (1997). Innovation in services. *Research policy*, 26(4-5), 537-556. https://doi.org/10.1016/S0048-7333(97)00030-9

Gallouj, F., & Savona, M. (2009). Innovation in services: a review of the debate and a
research agenda. *Journal of evolutionary economics*, 19, 149-172.
https://doi.org/10.1007/s00191-008-0126-4

Galunic, D. C., & Rodan, S. (1998). Resource recombinations in the firm: Knowledge
structures and the potential for Schumpeterian innovation. *Strategic management
journal*, 19(12), 1193-1201. https://www.jstor.org/stable/3094204

García-Villaverde, P. M., Elche, D., Martínez-Pérez, Á., & Ruiz-Ortega, M. J. (2017).
Determinants of radical innovation in clustered firms of the hospitality and tourism
industry. *International Journal of Hospitality Management*, 61, 45-58.
https://doi.org/10.1016/j.ijhm.2016.11.002

Garrido-Moreno, A., Lockett, N., & García-Morales, V. (2014). Paving the way for CRM
success: The mediating role of knowledge management and organizational
commitment. *Information & Management*, 51(8), 1031-1042.
https://doi.org/10.1016/j.im.2014.06.006

Gergen, K. J., & Gergen, M.M. (2008). Social Constructionism. In Given, L. M. (Ed.), *The
SAGE encyclopedia of qualitative research methods* (Vol. 2, pp. 816-820). SAGE.
http://dx.doi.org/10.4135/9781412963909.n306

Ghaderi, Z., Dehghan Pour Farashah, M. H., Aslani, E., & Hemati, B. (2020). Managers'
perceptions of the adaptive reuse of heritage buildings as boutique hotels: insights

from Iran. *Journal of Heritage Tourism*, 15(6), 696-708.

https://doi.org/10.1080/1743873X.2020.1756834

Given, L.M., & Saumure, K. (2008). Trustworthiness. In Given, L. M. (Ed.), *The SAGE*

encyclopedia of qualitative research methods (Vol. 2, pp. 895-896). SAGE.

http://dx.doi.org/10.4135/9781412963909.n306

Goh, Y. N. (2015). Investigating revisit intentions for the boutique hotels of Penang-A

UNESCO world heritage site. *Asian Social Science*, 11(4), 126-134.

10.5539/ass.v11n4p126

Gold, A. H., Malhotra, A., & Segars, A. H. (2001). Knowledge management: An

organizational capabilities perspective. *Journal of management information systems*,

18(1), 185-214. https://doi.org/10.1080/07421222.2001.11045669

Gomezelj, D. O. (2016). A systematic review of research on innovation in hospitality and

tourism. *International Journal of Contemporary Hospitality Management*, 28(3), 516-

558. https://doi.org/10.1108/IJCHM-10-2014-0510

Goodman, M., & Dingli, S. M. (2013). *Creativity and strategic innovation management:*

Directions for future value in changing times (1st Ed). Routledge.

Grace, L. (2023, April 21). *Best hotels in Malta: From Valletta to countryside hideaways*.

Independent. https://www.independent.co.uk/travel/europe/malta/best-hotels-malta-

b2087048.html

Graham, A., & Dennis, N. (2010). The impact of low cost airline operations to Malta. *Journal of Air Transport Management*, 16(3), 127-136. https://doi.org/10.1016/j.jairtraman.2009.07.006

Grand, S., Vonarx, W., & Rüegg-Stürm, J. (2015). Constructivist paradigms: implications for strategy-as-practice research. In Golsorkhi, D., Rouleau, L., Seidl, D., & Vaara, E. (Eds.), *Cambridge Handbook of strategy as practice* (2nd ed, pp. 78-94). Cambridge University Press. https://doi.org/10.1017/CBO9781139681032.005

Grant, R. M. (1996a). Toward a knowledge-based theory of the firm. *Strategic Management Journal*, 17(s2), 109-122. https://doi.org/10.1002/smj.4250171110

Grant, R. M. (1996b). Prospering in dynamically-competitive environments: Organizational capability as knowledge integration. *Organization science*, 7(4), 375-387. https://doi.org/10.1287/orsc.7.4.375

Grant, R. M. (2013). Reflections on knowledge-based approaches to the organization of production. *Journal of Management & Governance*, 17, 541-558. https://doi.org/10.1007/s10997-011-9195-0

Grech, A. G. (2017). Did Malta's accession to the EU raise its potential growth? A focus on the foreign workforce. *Journal of Economic Integration*, 32(4), 873-890. http://dx.doi.org/10.11130/jei.2017.32.4.873

Grima, R. (2017). Heritage management, tourism, and world heritage on Malta. *American Anthropologist*, 119(1), 125-127. https://doi.org/10.1111/aman.12808

Gross, M. A., & Pullman, M. (2012). Playing their roles: Experiential design concepts applied in complex services. *Journal of Management Inquiry*, 21(1), 43-59. https://doi.org/10.1177/1056492610395928

Gupta, M. (2018). The innovation process from an idea to a final product: a review of the literature. *International Journal of Comparative Management*, 1(4), 400-421.

Gürlek, M. (2021). Effects of high-performance work systems (HPWSs) on intellectual capital, organizational ambidexterity and knowledge absorptive capacity: evidence from the hotel industry. *Journal of hospitality marketing & management*, 30(1), 38-70. https://doi.org/10.1080/19368623.2020.1774029

Gustafsson, A., Snyder, H., & Witell, L. (2020). Service innovation: a new conceptualization and path forward. *Journal of Service Research*, 23(2), 111-115. https://doi.org/10.1177/1094670520908929

Gutierrez, E., Sandstrom, G. O., Janhager, J., & Ritzen, S. (2008, September). *Innovation and decision making: understanding selection and prioritization of development projects*. Paper presented at the 2008 4th IEEE International Conference on Management of Innovation and Technology, Bangkok, Thailand. 10.1109/ICMIT.2008.4654386

Hameed, W. U., Nisar, Q. A., & Wu, H. C. (2021). Relationships between external knowledge, internal innovation, firms' open innovation performance, service innovation and business performance in the Pakistani hotel industry. *International Journal of Hospitality Management*, 92, 102745. https://doi.org/10.1016/j.ijhm.2020.102745

Hawkins, D. (2007). The Panel's Definitions. In Zins, C. (2007). Conceptual approaches for defining data, information, and knowledge. *Journal of the American Society for Information Science and Technology*, 58(4), 479-493. https://doi.org/10.1002/asi.20508

Helfat, C. E., Finkelstein, S., Mitchell, W., Peteraf, M., Singh, H., Teece, D., & Winter, S. G. (2007). *Dynamic capabilities: Understanding strategic change in organizations*. Blackwell Publishing.

Helfat, C. E., & Peteraf, M. A. (2015). Managerial cognitive capabilities and the microfoundations of dynamic capabilities. *Strategic management journal*, 36(6), 831-850. https://doi.org/10.1002/smj.2247

Helkkula, A., Kowalkowski, C., & Tronvoll, B. (2018). Archetypes of service innovation: implications for value cocreation. *Journal of Service Research*, 21(3), 284-301. https://doi.org/10.1177/1094670517746776

Henderson, J. C. (2011). Hip heritage: The boutique hotel business in Singapore. *Tourism and Hospitality Research*, 11(3), 217-223. https://doi.org/10.1177/1467358411418569

Hernández-Perlines, F., Ariza-Montes, A., Han, H., & Law, R. (2019). Innovative capacity, quality certification and performance in the hotel sector. *International Journal of Hospitality Management*, 82, 220-230. https://doi.org/10.1016/j.ijhm.2019.04.027

Hjalager, A. M. (2002). Repairing innovation defectiveness in tourism. *Tourism management*, 23(5), 465-474. https://doi.org/10.1016/S0261-5177(02)00013-4

Hjalager, A. M. (2010). A review of innovation research in tourism. *Tourism management*, 31(1), 1-12. https://doi.org/10.1016/j.tourman.2009.08.012

Hjalager, A. M. (2015). 100 innovations that transformed tourism. *Journal of Travel Research*, 54(1), 3-21. https://doi.org/10.1177/0047287513516390

Hoarau, H. (2014). Knowledge acquisition and assimilation in tourism-innovation processes. *Scandinavian Journal of Hospitality and Tourism*, 14(2), 135-151. https://doi.org/10.1080/15022250.2014.887609

Hollebeek, L. D., & Andreassen, T. W. (2018). The SD logic-informed "hamburger" model of service innovation and its implications for engagement and value. *Journal of Services Marketing*, 32(1), 1-7. https://doi.org/10.1108/JSM-11-2017-0389

Hölzl, W., & Janger, J. (2012). *Innovation barriers across firms and countries*. Austrian Institute of Economic Research (WIFO), Vienna, working papers No. 426. Available at https://www.econstor.eu/bitstream/10419/128992/1/wp_426.pdf (Accessed: 21 May 2024).

Hurworth, R. (2005). Interpretivism. In Mathison (Ed.), *Encyclopedia of evaluation* (p.210). SAGE. http://dx.doi.org/10.4135/9781412950558.n289

Iebra Aizpurúa, L., Zegarra Saldaña, P. E., & Zegarra Saldaña, A. (2011). Learning for sharing: an empirical analysis of organizational learning and knowledge sharing. *International Entrepreneurship and Management Journal*, 7(4), 509-518. https://doi.org/10.1007/s11365-011-0206-z

Işık, C., Aydın, E., Dogru, T., Rehman, A., Sirakaya-Turk, E., & Karagöz, D. (2022). Innovation research in tourism and hospitality field: a bibliometric and visualization analysis. *Sustainability*, 14(13), 7889. https://doi.org/10.3390/su14137889

Jansen, J. J., Van Den Bosch, F. A., & Volberda, H. W. (2005). Managing potential and realized absorptive capacity: how do organizational antecedents matter?. *Academy of management journal*, 48(6), 999-1015. https://doi.org/10.5465/amj.2005.19573106

Jasinskas, E., & Majauskienė, D. (2016). Influence of the innovation barrier management on the competitive ability of a hotel. *Transformations in business & economics*, 15, 596-614.

Jarzabkowski, P. (2005). *Strategy as practice: an activity based approach*. SAGE. http://dx.doi.org/10.4135/9781446215777

Jacob, M., Tintoré, J., Aguiló, E., Bravo, A., & Mulet, J. (2003). Innovation in the tourism sector: results from a pilot study in the Balearic Islands. *Tourism Economics*, 9(3), 279-295. https://doi.org/10.1177/135481660300900303

Jenks, C. J. (2018). Recording and Transcribing Social Interaction. In Flick, U. (Ed.), *The SAGE handbook of qualitative data collection* (pp. 118-130). SAGE. https://dx-doi-org.ejournals.um.edu.mt/10.4135/9781526416070.n8

Johannessen, J. A., Olsen, B., & Lumpkin, G. T. (2001). Innovation as newness: what is new, how new, and new to whom?. *European Journal of innovation management*, 4(1), 20-31. https://doi.org/10.1108/14601060110365547

Johnson, G., Melin, L., & Whittington, R. (2003). Micro strategy and strategizing: towards an activity-based view. *Journal of management studies*, 40(1), 3-22. https://doi.org/10.1111/1467-6486.t01-2-00002

Jones, D. L., Day, J., & Quadri-Felitti, D. (2013). Emerging definitions of boutique and lifestyle hotels: A delphi study. *Journal of Travel & Tourism Marketing*, 30(7), 715-731. https://doi.org/10.1080/10548408.2013.827549

Kallmuenzer, A. (2018). Exploring drivers of innovation in hospitality family firms. *International Journal of Contemporary Hospitality Management*, 30(3), 1978-1995. https://doi.org/10.1108/IJCHM-04-2017-0242

Kallmuenzer, A., & Peters, M. (2018). Innovativeness and control mechanisms in tourism and hospitality family firms: A comparative study. *International Journal of Hospitality Management*, 70, 66-74. https://doi.org/10.1016/j.ijhm.2017.10.022

Katircioglu, S. T. (2009). Testing the tourism-led growth hypothesis: The case of Malta. *Acta Oeconomica*, 59(3), 331-343. https://doi.org/10.1556/aoecon.59.2009.3.4

Keane, C., & Costin, Y. (2019). Collaboration in an entrepreneurial cluster: a study of an urban coop. *Journal of Enterprising Communities: People and Places in the Global Economy*, 13(5), 605-624. https://doi.org/10.1108/JEC-02-2019-0012

Kim, C. S., Bai, B. H., Kim, P. B., & Chon, K. (2018). Review of reviews: A systematic analysis of review papers in the hospitality and tourism literature. *International Journal of Hospitality Management*, 70, 49-58. https://doi.org/10.1016/j.ijhm.2017.10.023

Ko, C. H., Pei, L., & Tsai, Y. H. (2016). A study of employees' perception of information technology adoption in hotels. *International Journal of Organizational Innovation*, 8(3), 231-238.

Kogut, B., & Zander, U. (1992). Knowledge of the firm, combinative capabilities, and the replication of technology. *Organization Science*, 3(3), 383-397. https://doi.org/10.1287/orsc.3.3.383

Kosar, L. (2014). Lifestyle hotels-new paradigm of modern hotel industry. *Turističko poslovanje*, 14(1), 39-50.

Krizaj, D., Brodnik, A., & Bukovec, B. (2014). A tool for measurement of innovation newness and adoption in tourism firms. *International Journal of Tourism Research*, 16(2), 113-125. https://doi.org/10.1002/jtr.1905

Kvale, S. (2006). Dominance through interviews and dialogues. *Qualitative Inquiry*, 12(3), 480-500. https://doi.org/10.1177/1077800406286235

Kvale, S. (2007). *Doing interviews*. SAGE. https://dx.doi.org/10.4135/9781849208963

Kurtmollaiev, S., & Pedersen, P. E. (2022). Bringing together the whats and hows in the service innovation literature: An integrative framework. *International Journal of Management Reviews*, 24(4), 625-653. https://doi.org/10.1111/ijmr.12297

Kwan, K. M., & Tsang, E. W. (2001). Realism and constructivism in strategy research: A critical realist response to Mir and Watson. *Strategic Management Journal*, 22(12), 1163-1168. https://doi.org/10.1002/smj.200

Lai, I. K. W., & Hitchcock, M. (2016). A comparison of service quality attributes for stand-alone and resort-based luxury hotels in Macau: 3-Dimensional importance-performance analysis. *Tourism Management*, 55, 139-159. https://doi.org/10.1016/j.tourman.2016.01.007

Lam, C., & Law, R. (2019). Readiness of upscale and luxury-branded hotels for digital

transformation. *International Journal of Hospitality Management*, 79, 60-69.

https://doi.org/10.1016/j.ijhm.2018.12.015

Lawson, B., & Samson, D. (2001). Developing innovation capability in organisations: a

dynamic capabilities approach. *International journal of innovation management*,

5(03), 377-400. https://doi.org/10.1142/S1363919601000427

Li, M., Hsiao, A., Ma, E. J., & Li, S. J. (2022). Hotel service convergence innovation.

Journal of Global Scholars of Marketing Science, 32(3), 398-414.

https://doi.org/10.1080/21639159.2020.1808848

Li, M., & Hsu, C. H. (2016). Linking customer-employee exchange and employee

innovative behavior. *International Journal of Hospitality Management*, 56, 87-97.

https://doi.org/10.1016/j.ijhm.2016.04.015

Li, X., Liu, Z., Ren, A., & Gong, B. (2022). What fuzzy requests bring to frontline

employees: An absorptive capacity theory perspective. *Journal of Retailing and

Consumer Services*, 67, 102986. https://doi.org/10.1016/j.jretconser.2022.102986

Lim, W. M., & Endean, M. (2009). Elucidating the aesthetic and operational characteristics

of UK boutique hotels. *International Journal of Contemporary Hospitality

Management*, 21(1), 38-51. https://doi.org/10.1108/09596110910930179

Lin, I. Y. (2016). Effects of visual servicescape aesthetics comprehension and appreciation

on consumer experience. *Journal of Services Marketing*, 30(7), 692-712.

https://doi.org/10.1108/JSM-08-2015-0258

Lowe, M. S., Williams, A. M., Shaw, G., & Cudworth, K. (2012). Self-organizing

innovation networks, mobile knowledge carriers and diasporas: insights from a

pioneering boutique hotel chain. *Journal of Economic Geography*, 12(5), 1113-1138.

https://doi.org/10.1093/jeg/lbs021

Loureiro, S. M. C., Rita, P., & Sarmento, E. M. (2020). What is the core essence of small

city boutique hotels?. *International Journal of Culture, Tourism and Hospitality*

Research, 14(1), 44-62. https://doi.org/10.1108/IJCTHR-01-2019-0007

Macdonald, V. (2014, December 18). *Boutique Hotels Flourishing*. Times of Malta.

https://timesofmalta.com/articles/view/Boutique-hotels-flourishing.548774

Macdonald, V. (2014, December 18). *Frankie Spiteri: Boutique Hotels Flourishing*. Times

of Malta. https://timesofmalta.com/articles/view/Boutique-hotels-flourishing.548774

Macdonald, V. (2014, December 18). *Jankarl Farrugia: Boutique Hotels Flourishing*.

Times of Malta. https://timesofmalta.com/articles/view/Boutique-hotels-

flourishing.548774

Malta Business Bureau. (2020, March 13). *Malta Business Bureau calls for quick implementation of measures to offset COVID-19*. https://mbb.org.mt/media/malta-business-bureau-calls-for-quick-implementation-of-measures-to-offset-covid-19/

Malta Tourism Authority [MTA]. (2021, February 8). *Malta Tourism Strategy 2021-2030*. https://tourism.gov.mt/wp-content/uploads/2023/04/National-Tourism-Strategy-2021-2030.pdf

Mannucci, P. V., & Yong, K. (2018). The differential impact of knowledge depth and knowledge breadth on creativity over individual careers. *Academy of Management Journal*, 61(5), 1741-1763. https://doi.org/10.5465/amj.2016.0529

Manning, C., De Roos, J., O'Neill, J. W., Bloom, B. A. N., Agarwal, A., & Roulac, S. (2018). Hotel/lodging real estate industry trends and innovations. *Journal of Real Estate Literature*, 26(1), 13-41. https://doi.org/10.1080/10835547.2018.12090474

Marinova, D., & Phillimore, J. (2003). Models of innovation. In L.V. Shavinina (Ed), *The international handbook on innovation* (pp. 44-53). Elsevier. https://doi.org/10.1016/B978-0-08-044198-6.X5000-1

Martín-de Castro, G., López-Sáez, P., & Delgado-Verde, M. (2011). Towards a knowledge-based view of firm innovation. Theory and empirical research. *Journal of knowledge Management*, 15(6), 871-874. https://doi.org/10.1108/13673271111179253

Martínez-Pérez, Á., Elche, D., García-Villaverde, P. M., & Parra-Requena, G. (2019). Cultural tourism clusters: Social capital, relations with institutions, and radical innovation. *Journal of Travel Research*, 58(5), 793-807. https://doi.org/10.1177/0047287518778147

Martínez-Román, J. A., Tamayo, J. A., Gamero, J., & Romero, J. E. (2015). Innovativeness and business performances in tourism SMEs. *Annals of Tourism Research*, 54, 118-135. https://doi.org/10.1016/j.annals.2015.07.004

Martínez-Ros, E., & Orfila-Sintes, F. (2009). Innovation activity in the hotel industry. *Technovation*, 29(9), 632-641. https://doi.org/10.1016/j.technovation.2009.02.004

Markwick, M. (2018). Valletta ECoC 2018 and cultural tourism development. *Journal of Tourism and Cultural Change*, 16(3), 286-308. https://doi.org/10.1080/14766825.2017.1293674

Mathison, S. (2005). *Encyclopedia of evaluation*. SAGE. https://dx.doi.org/10.4135/9781412950558

Mcdermott, R. (1999). Why information technology inspired but cannot deliver knowledge management. *California Management Review*, 41(4), 103-117. https://doi.org/10.2307/41166012

McGrath, S. K., & Whitty, S. J. (2017). Stakeholder defined. *International Journal of Managing Projects in Business*, 10(4), 721-748. https://doi.org/10.1108/IJMPB-12-2016-0097

Meira, J. V. D. S., Dos Anjos, S. J. G., & Falaster, C. D. (2019). Innovation and performance in the hotel industry. *Journal of Quality Assurance in Hospitality & Tourism*, 20(2), 185-205. https://doi.org/10.1080/1528008X.2018.1512936

Meissner, D., & Kotsemir, M. (2016). Conceptualizing the innovation process towards the 'active innovation paradigm'—trends and outlook. *Journal of Innovation and Entrepreneurship*, 5, 1-18. https://doi.org/10.1186/s13731-016-0042-z

Ministry for Tourism and Culture. (2006, December). *National Strategy for Cultural Heritage*. https://parlament.mt/media/57493/6355.pdf

Miller, P. (2008). Reliability. In Given, L. M. (Ed.), *The SAGE encyclopedia of qualitative research methods* (Vol. 2, pp. 753-754). SAGE. http://dx.doi.org/10.4135/9781412963909.n306

Mir, R., & Watson, A. (2000). Strategic management and the philosophy of science: The case for a constructivist methodology. *Strategic management journal*, 21(9), 941-953. https://doi.org/10.1002/1097-0266(200009)21:9<941::AID-SMJ141>3.0.CO;2-D

Mirabelli, T. (2022, April 13). *Malta's boutique hotels: small but grand*. Times of Malta. https://timesofmalta.com/articles/view/maltas-boutique-hotels-small-but-grand.945972

Mizzi, D. (2014, August 5). *16 boutique hotels earmarked for Valletta – Zammit Lewis*.

Malta Today.

https://www.maltatoday.com.mt/news/reporter/41960/16_boutique_hotels_earmarked_

for_valletta__zammit_lewis

Montalvan-Burbano, N., Plaza-Ubeda, J. A., Perez-Valls, M., & Sabando-Vera, D. (2019).

Dataset on organizational innovation and its determinants in the SMEs hotels. *Data in*

brief, 26, 104352. https://doi.org/10.1016/j.dib.2019.104352

Montresor, S. (2018). Innovation in tourism: A diverging line of research in need of a

synthesis. *Tourism Economics*, 24(7), 765-780.

https://doi.org/10.1177/1354816618773189

Morrar, R. (2014). Innovation in services: A literature review. *Technology Innovation*

Management Review, 4(4).

Morgan, D. L. (1996). Focus groups. *Annual review of sociology*, 22(1), 129-152.

https://doi.org/10.1146/annurev.soc.22.1.129

Morgan, D. L. (2008a). Focus Groups. In Given, L. M. (Ed.), *The SAGE encyclopedia of*

qualitative research methods (Vol. 1, pp. 352-354). SAGE.

http://dx.doi.org/10.4135/9781412963909.n306

Morgan, D. L. (2008b). Sample Size. In Given, L. M. (Ed.), *The SAGE encyclopedia of qualitative research methods* (Vol. 2, pp. 815-816). SAGE. http://dx.doi.org/10.4135/9781412963909.n306

Najda-Janoszka, M., & Kopera, S. (2014). Exploring barriers to innovation in tourism industry–the case of southern region of Poland. *Procedia-Social and Behavioral Sciences*, 110, 190-201. https://doi.org/10.1016/j.sbspro.2013.12.862

National Statistics Office [NSO] (2024, January 26). *Population and migration: 2021-2022 (including intercensal revisions)*. https://nso.gov.mt/intercensal-population-revisions-2012-2021/

Navarrete Escobedo, D. (2020). Foreigners as gentrifiers and tourists in a Mexican historic district. *Urban Studies*, 57(15), 3151-3168. https://doi.org/10.1177/0042098019896532

Nelson, R. R., & Winter, S. G. (1982). *An evolutionary theory of economic change*. Harvard.

Nicolau, J. L., & Santa-María, M. J. (2013). The effect of innovation on hotel market value. *International Journal of Hospitality Management*, 32, 71-79. https://doi.org/10.1016/j.ijhm.2012.04.005

Nielsen, A. P. (2006). Understanding dynamic capabilities through knowledge management. *Journal of knowledge management*, 10(4), 59-71. https://doi.org/10.1108/13673270610679363

Nieves, J., Quintana, A., & Osorio, J. (2014). Knowledge-based resources and innovation in the hotel industry. *International Journal of Hospitality Management*, 38, 65-73. https://doi.org/10.1016/j.ijhm.2014.01.001

Nonaka, I. (1994). A dynamic theory of organizational knowledge creation. *Organization Science*, 5(1), 14-37. https://doi.org/10.1287/orsc.5.1.14

Nonaka, I., & Takeuchi, H. (1995). *The knowledge-creating company: How Japanese companies create the dynamics of innovation*. Oxford university press.

Nonaka, I., & Toyama, R. (2005). The theory of the knowledge-creating firm: Subjectivity, objectivity and synthesis. *Industrial and Corporate Change*, 14(3), 419-436. https://doi.org/10.1093/icc/dth058

Nonaka, I., Toyama, R., & Konno, N. (2000). SECI, ba and leadership: A unified model of dynamic knowledge creation. *Long Range Planning*, 33(1), 5-34. https://doi.org/10.1016/S0024-6301(99)00115-6

Nonaka, I., Umemoto, K., & Senoo, D. (1996). From information processing to knowledge creation: A paradigm shift in business management. *Technology in Society*, 18(2), 203-218. https://doi.org/10.1016/0160-791X(96)00001-2

Nooteboom, B. (2022). *Dynamic Capabilities: History and Extension.* Cambridge
University Press.

Nordin, S., & Hjalager, A. M. (2017). Doing, using, interacting: Towards a new
understanding of tourism innovation processes. *In Driving tourism through creative
destinations and activities* (pp. 165-180). IGI global. 10.4018/978-1-5225-2016-
0.ch008

Nordli, A. J. (2017). Measuring innovation in tourism with Community Innovation Survey:
a first step towards a more valid innovation instruments. *Scandinavian Journal of
Hospitality and Tourism*, 17(4), 423-440.
https://doi.org/10.1080/15022250.2016.1247382

Nowell, L. S., Norris, J. M., White, D. E., & Moules, N. J. (2017). Thematic analysis:
Striving to meet the trustworthiness criteria. I*nternational journal of qualitative
methods*, 16(1), 1-13. https://doi.org/10.1177/1609406917733847

Oliver, P. (2006). Purposive Sampling. In Jupp, V. (Ed.), *The SAGE Dictionary of Social
Research Methods* (p. 245). SAGE. https://doi.org/10.4135/9780857020116

Oppenheim, C. (2007). The Panel's Definitions. In Zins, C. (2007). Conceptual approaches
for defining data, information, and knowledge. *Journal of the American Society for
Information Science and Technology*, 58(4), 479-493.
https://doi.org/10.1002/asi.20508

Orfila-Sintes, F., Crespi-Cladera, R., & Martínez-Ros, E. (2005). Innovation activity in the hotel industry: Evidence from Balearic Islands. *Tourism management*, 26(6), 851-865. https://doi.org/10.1016/j.tourman.2004.05.005

Orfila-Sintes, F., & Mattsson, J. (2009). Innovation behavior in the hotel industry. *Omega*, 37(2), 380-394. https://doi.org/10.1016/j.omega.2007.04.002

Organisation for Economic Co-operation and Development [OECD] (2022, November 30). *OECD Tourism Trends and Policies 2022*. https://www.oecd-ilibrary.org/sites/00eaf1cb-en/index.html?itemId=/content/component/00eaf1cb-en#:~:text=Tourism%20is%20an%20essential%20contributor,7.8%25%20fall%20in%20overall%20GVA.

Organisation for Economic Co-operation and Development [OECD] (2018, October 22). *Oslo Manual 2018*. https://www.oecd.org/science/oslo-manual-2018-9789264304604-en.htm

Ottenbacher, M., Shaw, V., & Lockwood, A. (2012). An investigation of the factors affecting innovation performance in chain and independent hotels. *In Innovation in hospitality and tourism* (pp. 113-128). Routledge.

Pace, L. A. (2016). How do tourism firms innovate for sustainable energy consumption? A capabilities perspective on the adoption of energy efficiency in tourism accommodation establishments. *Journal of Cleaner Production*, 111(B), 409-420. https://doi.org/10.1016/j.jclepro.2015.01.095

Paley, J. (2008). Positivism. In Given, L. M. (Ed.), *The SAGE encyclopedia of qualitative research methods* (Vol. 2, pp. 646-650). SAGE. http://dx.doi.org/10.4135/9781412963909.n306

Panfiluk, E. (2021). Management of the Tourist Region—Identification of the determinants of Innovation. *Trans. Bus. Econ*, 18, 106-116. DOI: 10.37394/23207.2021.18.12

Parolin, C. F., & Boeing, R. (2019). Consumption of boutique hotel experiences as revealed by electronic word-of-mouth. *Tourism & Management Studies*, 15(2), 33-45.

Pascual-Fernández, P., Santos-Vijande, M. L., & López-Sánchez, J. Á. (2020). Harnessing innovation success in hotels: the interplay among key drivers of new service performance. *International Journal of Contemporary Hospitality Management*, 32(9), 2757-2776. https://doi.org/10.1108/IJCHM-12-2019-0988

Pascual-Fernández, P., Santos-Vijande, M. L., López-Sánchez, J. Á., & Molina, A. (2021). Key drivers of innovation capability in hotels: implications on performance. *International Journal of Hospitality Management*, 94, 102825. https://doi.org/10.1016/j.ijhm.2020.102825

Penrose, E. T. (1959/2009). *The Theory of the Growth of the Firm*. Oxford university press.

Pizam, A. (2015). Lifestyle hotels: Consistency and uniformity vs. individuality and personalization. *International Journal of Hospitality Management*, 46, 213-214. https://doi.org/10.1016/j.ijhm.2015.03.009

Peschl, M. F., & Fundneider, T. (2014). Designing and enabling spaces for collaborative knowledge creation and innovation: From managing to enabling innovation as socio-epistemological technology. *Computers in Human Behavior*, 37, 346-359. https://doi.org/10.1016/j.chb.2012.05.027

Pfeffer, J., & Salancik, G. R. (2003). *The external control of organizations: A resource dependence perspective*. Stanford University Press.

Phua, V. (2004). Convenience Sampling. In Lewis-Beck, M. S., Bryman, A., & Futing Liao, T. (Eds.), *The SAGE encyclopedia of social science research methods* (Vols 1-0, pp. 197-198). SAGE. https://dx.doi.org/10.4135/9781412950589.n176

Pikkemaat, B., & Peters, M. (2006). Towards the measurement of innovation–a pilot study in the small and medium sized hotel industry. *Journal of Quality Assurance in Hospitality & Tourism*, 6(3-4), 89-112. https://doi.org/10.1300/J162v06n03_06

Pikkemaat, B., Peters, M., & Bichler, B. F. (2019). Innovation research in tourism: Research streams and actions for the future. *Journal of Hospitality and Tourism Management*, 41, 184-196. https://doi.org/10.1016/j.jhtm.2019.10.007

Pirnar, I., Kamali, Y. C., & Eris, E. D. (2020). Soft innovation in hotel services: case of Izmir City. *International Journal of Tourism Cities*, 6(4), 1025-1043. https://doi.org/10.1108/IJTC-05-2019-0072

Qian, J., Law, R., Wei, J., Shen, H., & Sun, Y. (2020). Hotels' self-positioned image versus customers' perceived image: a case study of a boutique luxury hotel in Hong Kong. *Tourism Review*, 76(1), 198-211. https://doi.org/10.1108/TR-02-2019-0078

Quadri-Felitti, D., Su, N., & Day, J. (2022). Consumer perspectives of boutique and lifestyle hotels: Is there a difference?. *Tourism and Hospitality Research*, 22(3), 349-361. https://doi.org/10.1177/14673584211054605

Quintane, E., Mitch Casselman, R., Sebastian Reiche, B., & Nylund, P. A. (2011). Innovation as a knowledge-based outcome. *Journal of knowledge management*, 15(6), 928-947. https://doi.org/10.1108/13673271111179299

Rahman, S. (2018). Emerging built heritage commodification of boutique hotels in world heritage site: Evidence from George Town, Penang, Malaysia. *Planning Malaysia*, 16(4), 104-116. http://dx.doi.org/10.21837/pm.v16i8.542

Ravitch, S. M., & Carl, N. M. (2018). Member Check. In Frey, B. (Ed.), *The SAGE encyclopedia of educational research, measurement, and evaluation* (p. 1050). SAGE. https://dx.doi.org/10.4135/9781506326139

Rodríguez-Victoria, O. E., Puig, F., & González-Loureiro, M. (2017). Clustering, innovation and hotel competitiveness: Evidence from the Colombia destination. *International Journal of Contemporary Hospitality Management*, 29(11), 2785-2806. https://doi.org/10.1108/IJCHM-03-2016-0172

Rothgeb, J. M. (2008). Pilot Test. In Lavrakas, P. J. (Ed.), *Encyclopedia of survey research methods* (pp. 584-585). SAGE. https://dx.doi.org/10.4135/9781412963947

Sa, M. L. L., Choon-Yin, S., Chai, Y. K., & Joo, J. H. A. (2020). Knowledge creation process, customer orientation and firm performance: Evidence from small hotels in Malaysia. *Asia Pacific Management Review*, 25(2), 65-74. https://doi.org/10.1016/j.apmrv.2019.07.002

Saldaña, J. (2015). *The coding manual for qualitative researchers* (3rd Ed.). SAGE.

Salem, I. E. B. (2014). Toward better understanding of knowledge management: Correlation to hotel performance and innovation in five-star chain hotels in Egypt. *Tourism and Hospitality Research*, 14(4), 176-196. https://doi.org/10.1177/1467358414542265

Sandelowski, M. (2008). Findings. In Given, L. M. (Ed.), *The SAGE encyclopedia of qualitative research methods* (Vol. 1, pp. 350-351). SAGE. http://dx.doi.org/10.4135/9781412963909.n306

Saumure, K., & Given, L. M. (2008). Convenience sampling. In Given, L. M. (Ed.), *The SAGE encyclopedia of qualitative research methods* (Vol. 1, pp. 124-125). SAGE. http://dx.doi.org/10.4135/9781412963909.n306

Santos-Vijande, M. L., López-Sánchez, J. Á., & Pascual-Fernandez, P. (2018). Co-creation

with clients of hotel services: the moderating role of top management support. *Current

Issues in Tourism*, 21(3), 301-327. https://doi.org/10.1080/13683500.2015.1078781

Shamim, S., Yang, Y., Zia, N. U., & Shah, M. H. (2021). Big data management capabilities

in the hospitality sector: Service innovation and customer generated online quality

ratings. *Computers in Human Behavior*, 121, 106777.

https://doi.org/10.1016/j.chb.2021.106777

Sharma, D. (2016). Enhancing customer experience using technological innovations: A

study of the Indian hotel industry. *Worldwide Hospitality and Tourism Themes*, 8(4),

469-480. https://doi.org/10.1108/WHATT-04-2016-0018

Shin, H., Perdue, R. R., & Kang, J. (2019). Front desk technology innovation in hotels: A

managerial perspective. *Tourism Management*, 74, 310-318.

https://doi.org/10.1016/j.tourman.2019.04.004

Singh, S., & Aggarwal, Y. (2022). In search of a consensus definition of innovation: A

qualitative synthesis of 208 definitions using grounded theory approach. *Innovation:

The European Journal of Social Science Research*, 35(2), 177-195.

https://doi.org/10.1080/13511610.2021.1925526

Smith, A. (1937). *The wealth of nations* [1776] (Vol. 11937).

Smith, E. A. (2001). The role of tacit and explicit knowledge in the workplace. *Journal of Knowledge Management*, 5(4), 311-321. https://doi.org/10.1108/13673270110411733

Smith, S. L. (1994). The tourism product. *Annals of tourism research*, 21(3), 582-595. https://doi.org/10.1016/0160-7383(94)90121-X

Snyder, H., Witell, L., Gustafsson, A., Fombelle, P., & Kristensson, P. (2016). Identifying categories of service innovation: A review and synthesis of the literature. *Journal of Business Research*, 69(7), 2401-2408. https://doi.org/10.1016/j.jbusres.2016.01.009

Soares, A. L. V., Mendes-Filho, L., & Gretzel, U. (2021). Technology adoption in hotels: applying institutional theory to tourism. *Tourism Review*, 76(3), 669-680. https://doi.org/10.1108/TR-05-2019-0153

So, K. K. F., Kim, H., He, Y., & Li, X. (2023). Mapping service innovation research in hospitality and tourism: An integrative bibliometric analysis and research agenda. *Cornell Hospitality Quarterly*, 64(2), 143-160. https://doi.org/10.1177/19389655221102392

Sørensen, F., & Jensen, J. F. (2015). Value creation and knowledge development in tourism experience encounters. *Tourism Management*, 46, 336-346. https://doi.org/10.1016/j.tourman.2014.07.009

Speake, J., & Kennedy, V. (2022). Changing aesthetics and the affluent elite in urban

tourism place making. *Tourism geographies*, 24(6-7), 1197-1218.

https://doi.org/10.1080/14616688.2019.1674368

Spender, J. C. (1996). Making knowledge the basis of a dynamic theory of the firm.

Strategic management journal, 17(S2), 45-62. https://doi.org/10.1002/smj.4250171106

Statista (2024, February). *Market size of the tourism sector worldwide from 2011 to 2023,*

with a forecast for 2024 (in trillion U.S. dollars).

https://www.statista.com/statistics/1220218/tourism-industry-market-size-global/

Statista (2023, August 29). *Total contribution of travel and tourism to GDP in Malta in*

2019 and 2022 (in billion euros). https://www.statista.com/statistics/1171127/travel-

and-tourism-gdp-contribution-malta/

Stojcic, N., Vojvodic, K., & Butigan, N. (2019). Service innovations and firm performance

in the hospitality industry: evidence from tourism driven economies. *ToSSE – Tourism*

in Southern and Eastern Europe, 5, 679-688.n.

Strannegård, L., & Strannegård, M. (2012). Works of art: Aesthetic ambitions in design

hotels. *Annals of Tourism Research*, 39(4), 1995-2012.

https://doi.org/10.1016/j.annals.2012.06.006

Szulanski, G. (1996). Exploring internal stickiness: Impediments to the transfer of best practice within the firm. *Strategic management journal*, 17(S2), 27-43. https://doi.org/10.1002/smj.4250171105

Tejada, P., & Moreno, P. (2013). Patterns of innovation in tourism 'small and medium-size enterprises'. *The Service Industries Journal*, 33(7-8), 749-758. https://doi.org/10.1080/02642069.2013.740469

Tajeddini, K., & Trueman, M. (2012). Managing Swiss Hospitality: How cultural antecedents of innovation and customer-oriented value systems can influence performance in the hotel industry. *International Journal of Hospitality Management*, 31(4), 1119-1129. https://doi.org/10.1016/j.ijhm.2012.01.009

Tang, T. W., Wang, M. C. H., & Tang, Y. Y. (2015). Developing service innovation capability in the hotel industry. *Service Business*, 9, 97-113. https://doi.org/10.1007/s11628-013-0220-z

Teece, D. J. (2007). Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic management journal*, 28(13), 1319-1350. https://doi.org/10.1002/smj.640

Teece, D. J., & Al-Aali, A. (2012). Knowledge assets, capabilities, and the theory of the firm. In Easterby-Smith, M., & Lyles, M. A. (Eds.), *Handbook of organizational learning and knowledge management* (2nd ed, pp. 505-534). John Wiley & Sons. https://doi.org/10.1002/9781119207245.ch23

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533. https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z

Tekic, Z., Cosic, I., & Katalinić, B. (2011). Innovation and knowledge creation mechanisms. *Annals and Proceedings of DAAAM International*, 22(1), 0419-0420.

Thanh, B. T., & Tran, L. T. T. (2023). When leaders and peers positively facilitate creativity: the moderating role of absorptive capacity. *Leadership & Organization Development Journal*, 44(2), 274-290. https://doi.org/10.1108/LODJ-04-2022-0164

Thomas, R., & Wood, E. (2014). Innovation in tourism: Re-conceptualising and measuring the absorptive capacity of the hotel sector. *Tourism Management*, 45, 39-48. https://doi.org/10.1016/j.tourman.2014.03.012

Tidd, J., & Bessant, J. (2014). *Strategic Innovation Management*. John Wiley &Sons Ltd.

Toivonen, M., & Tuominen, T. (2009). Emergence of innovations in services. *The Service Industries Journal*, 29(7), 887-902. https://doi.org/10.1080/02642060902749492

Todorova, G., & Durisin, B. (2007). Absorptive capacity: Valuing a reconceptualization. *Academy of management review*, 32(3), 774-786. https://doi.org/10.5465/amr.2007.25275513

Tritto, A. (2020). Environmental management practices in hotels at world heritage sites. *Journal of Sustainable Tourism*, 28(11), 1911-1931. https://doi.org/10.1080/09669582.2020.1771566

Truong, N., Dang-Pham, D., McClelland, R., & Nkhoma, M. (2020). Exploring the impact of innovativeness of hospitality service operation on customer satisfaction. *Operations and Supply Chain Management: An International Journal*, 13(3), 307-319. http://doi.org/10.31387/oscm0420272

Turner, S., & Endres, A. (2017). Strategies for enhancing small business owners' success rates. *International Journal of Applied Management and Technology*, 16(1), 34-49. https://doi.org/10.5590/IJAMT.2017.16.1.03

Ubeda-Garcia, M., Rienda, L., Zaragoza-Saez, P. C., & Andreu-Guerrero, R. (2021). The impact of knowledge management on the internationalization, organizational ambidexterity and performance of Spanish hotel chains. *International Journal of Contemporary Hospitality Management*, 33(5), 1507-1531. https://doi.org/10.1108/IJCHM-10-2020-1141

Un, C. A., & Cuervo-Cazurra, A. (2004). Strategies for knowledge creation in firms. *British Journal of Management*, 15(S1), 27-41. https://doi.org/10.1111/j.1467-8551.2004.00398.x

Valença, M. N., Sobral, M. F. F., Andrade Lima, T. L. D., & Farias, D. D. M. P. (2020). Innovation radar in hospitality: a new procedure to evaluate the innovation in hotels.

Journal of Hospitality and Tourism Technology, 11(2), 313-326.

https://doi.org/10.1108/JHTT-10-2017-0119

Vallaster, C., Maon, F., Lindgreen, A., & Vanhamme, J. (2021). Serving multiple masters: The role of micro-foundations of dynamic capabilities in addressing tensions in for-profit hybrid organizations. *Organization studies*, 42(6), 911-947.

https://doi.org/10.1177/0170840619856034

Van der Aa, W., & Elfring, T. (2002). Realizing innovation in services. *Scandinavian Journal of Management*, 18(2), 155-171. https://doi.org/10.1016/S0956-5221(00)00040-3

Van den Bosch, F. A., Volberda, H. W., & De Boer, M. (1999). Coevolution of firm absorptive capacity and knowledge environment: Organizational forms and combinative capabilities. *Organization science*, 10(5), 551-568.

https://doi.org/10.1287/orsc.10.5.551

Vassallo, A. (2014). *A boutique hotel in a heritage city and its potential* [Unpublished Master in Accountancy thesis]. Faculty of Economics, Management & Accountancy, Department of Accountancy, University of Malta. Retrieved from

https://www.um.edu.mt/library/oar/handle/123456789/10197

Vila, M., Enz, C., & Costa, G. (2012). Innovative practices in the Spanish hotel industry. *Cornell Hospitality Quarterly*, 53(1), 75-85.

https://doi.org/10.1177/1938965511426562

Vogt, W. P. (2005). *Dictionary of Statistics & Methodology*. SAGE.

https://dx.doi.org/10.4135/9781412983907

Volo, S. (2006). A Consumer-Based Measurement of Tourism Innovation. *Journal of Quality Assurance in Hospitality & Tourism*, 6(3-4), 73-87.

https://doi.org/10.1300/J162v06n03_05

Wang, K. L., Chiang, C., & Tung, C. M. (2012). Integrating human resource management and knowledge management: From the viewpoint of core employees and organizational performance. *International Journal of Organizational Innovation*, 5(1), 109-137. https://ejournals.um.edu.mt/login?url=https://www.proquest.com/scholarly-journals/integrating-human-resource-management-knowledge/docview/1030258224/se-2

Wang, T., Luo, Y., & Tang, L. R. (2015). The investigation of consumer motivations to patronize boutique hotels using push-pull theory: A case study in Xiamen, China. *International Journal of Tourism Cities*, 1(4), 317-328. https://doi.org/10.1108/IJTC-08-2014-0010

Weick, K. (1969/1979). *The psychology of organizing* (2nd Ed). Addison-Wesley Publishing Company.

Wikhamn, W., Armbrecht, J., & Remneland Wikhamn, B. (2018). Innovation in Swedish hotels. *International Journal of Contemporary Hospitality Management*, 30(6), 2481-2498. https://doi.org/10.1108/IJCHM-06-2017-0323

Willis, W. J. (2007). *Foundations of qualitative research: Interpretive and critical approaches*. SAGE. https://dx.doi.org/10.4135/9781452230108

Winter, S. G. (2003). Understanding dynamic capabilities. *Strategic management journal*, 24(10), 991-995. https://doi.org/10.1002/smj.318

Witell, L., Snyder, H., Gustafsson, A., Fombelle, P., & Kristensson, P. (2016). Defining service innovation: A review and synthesis. *Journal of Business Research*, 69(8), 2863-2872. https://doi.org/10.1016/j.jbusres.2015.12.055

Wooder, S., & Baker, S. (2012). Extracting key lessons in service innovation. *Journal of Product Innovation Management*, 29(1), 13-20. https://doi.org/10.1111/j.1540-5885.2011.00875.x

Wu, J., Yang, T., Zhou, Z., & Zhao, N. (2023). Consumers' affective needs matter: Open innovation through mining luxury hotels' online reviews. *International Journal of Hospitality Management*, 114, 103556. https://doi.org/10.1016/j.ijhm.2023.103556

Xu, F. Z., & Wang, Y. (2020). Enhancing employee innovation through customer engagement: The role of customer interactivity, employee affect, and motivations. *Journal of Hospitality & Tourism Research*, 44(2), 351-376. https://doi.org/10.1177/1096348019893043

Zahra, S. A., & George, G. (2000, August). ABSORPTIVE CAPACITY: A REVIEW AND RECONCEPTUALIZATION. *In Academy of Management Proceedings* (Vol. 2000,

No. 1, pp. K1-K6). Briarcliff Manor, NY 10510: Academy of Management.

https://doi.org/10.5465/apbpp.2000.5438568

Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: A review, model and research agenda. *Journal of Management studies*, 43(4), 917-955. https://doi.org/10.1111/j.1467-6486.2006.00616.x

Zins, C. (2006). Redefining information science: From "information science" to "knowledge science". *Journal of Documentation*, 62(4), 447-461. https://doi.org/10.1108/00220410610673846

Ziyae, B., Sadeghi, H., & Golmohammadi, M. (2022). Service innovation in the hotel industry: the dynamic capabilities view. *Journal of Enterprising Communities: People and Places in the Global Economy*, 16(4), 582-602. https://doi.org/10.1108/JEC-12-2020-0205

Zollo, M., & Winter, S. G. (2002). Deliberate learning and the evolution of dynamic capabilities. *Organization Science*, 13(3), 339-351. https://doi.org/10.1287/orsc.13.3.339.2780