

# Entrepreneurial and Customer Orientation as Predictors of Innovativeness in Tourism Firms

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Entrepreneurial orientation and customer orientation are two separate yet complementary strategic orientations that influence the innovation activities of firms. Empirical studies have separately analysed the dimensions of entrepreneurial orientation and customer orientation in relation to firm-level innovation activities. Scholars have focused to the relationship between customer orientation, entrepreneurship orientation and innovativeness in different organizations, but only a few such studies exist in the tourism sector. The purpose of this paper is to present the results of a preliminary study of the field of innovation in tourism. Entrepreneurial orientation and customer orientation as predictors of innovativeness in tourism firms are introduced, and the results and findings of the analysis and some perspectives on tourism innovation are presented.

*Keywords:* tourism, innovation, entrepreneurial orientation

## Introduction

The tourism industry is fast-growing and competitive. In consideration of the number of employees in this sector and its influence on the social and economic development of regions and countries, it can be characterized as the leading service activity around the world (Holjevac, 2003). Travel and tourism's contribution to the global GDP has been growing in recent years; more than four million new jobs were created in the tourism sector in 2012 (WTTC, 2013). The tourism industry seems to perform better than the wider economy. The numbers of international tourist arrivals worldwide showed uninterrupted growth from 528 million in 1995 to 1087 million in 2013; moreover, they are expected to increase by 3.3% annually, doubling the 2010 figures by 2030 (WTTC, 2014).

Firms in the tourism sector have to satisfy increasingly demanding clients, which compels them

to innovate. Through innovation, they will be able to remain competitive. Previous studies that focused on the factors affecting innovation have been restricted to the manufacturing sector (Hjalager, 2010). Service activities are increasingly important in the global economy; therefore, measuring the antecedents of innovativeness as also the innovativeness itself in the service company is becoming a challenge for researchers (Miles, 2003; Eurostat, 2009). This paper presents the results of a survey dealing with the correlation between the entrepreneurial orientation dimensions, customer orientation and innovations. The primary object of the analysis is innovativeness in the tourism sector. In performing this research, we would like to answer the question: What is the correlation between the entrepreneurial orientation dimensions, customer orientation and innovation?

### Entrepreneurial Orientation

Entrepreneurs are those who are responsible for imbalances in the market. Schumpeter (1934) called them “creative destructors”, because they may affect the preferences of consumers with their innovation and new standards. Later, Schumpeter (1965) described the entrepreneur as “an idea man and a man of action who possesses the ability to inspire others, and who does not accept boundaries of structured situations. He is a catalyst of change that is instrumental in discovering new opportunities, which makes for the uniqueness of the entrepreneurial function”. The entrepreneur is an innovative thinker, promoter and a creative organizational player (Bird, 1989). The entrepreneur should be able to recognize a market opportunity for a new product or service, new methods, new techniques, new strategies, and new ways of delivering a problem. Moreover, with his proactive characteristics, the entrepreneur should implement the results of innovative thinking. Therefore, it is the entrepreneur who changes the environment and the existing system.

Entrepreneurs in the tourism industry often lack business skills, and their ability to be creative and to innovate is modest (Lerner & Haber, 2000; Morrison et al.; 1999). Entrepreneurs differ in their various characteristics (McClelland 1961; Rotter 1966; Timmons 1978). Their orientation differs in being opportunistic, innovative, creative, imaginative, restless, and proactive (Chell et al., 1991). Their traits, such as the need for achievement, internal locus of control, and a risk-taking propensity, are distinguishing elements of their behaviour (Brockhaus, 1982). Leibenstein (1968) focused on creativity and stated that creative entrepreneurs develop new ideas, identify market opportunities and successfully create added value.

Goldsmith (1984) studied the influence of entrepreneurial orientation on their ability to solve problems and be innovative. Moreover, Zhao, and Seibert (2006) stressed the significant role of entrepreneurs’ characteristics in innovative behaviours. As argued from the abovementioned scholars, it seems that the entrepreneur’s orientation can influence his firm’s innovativeness capability. Aiming to survive in this era of global changes, today’s businesses have to acquire entrepreneurial competence. In order to be entrepreneurial, an enterprise needs to have particular characteristics.

In the past, research in the field of entrepreneurship was mainly focused in the process of the creation of new businesses and analysed all the potential factors influencing this process. Recently, however, the scope of entrepreneurship has surpassed these frameworks; consequently, new fields of studies have been born, mostly dealing with possibilities of establishing companies based on innovation, as well as emphasizing the fact that only innovative companies can be competitive and successful.

The role of the entrepreneur himself, or the entrepreneurial orientation within the company, and the correlation with innovation capacities in the firm is the research topic of several authors (Zhao & Seibert, 2006; Avlonitis & Salavou, 2007; Hjalager, 2010; Ahlin et al., 2014). Ugalde-Binda et al. (2014) confirmed the existence of a positive and significant relationship between structural and relational capital and innovativeness. Some authors have studied the impact of entrepreneurial orientation on the various elements of performance, such as sales growth, return on equity, and return on assets (Tang et al., 2008; Moreno & Casillas, 2008; Hui-Li et al. 2009; Casillas et al. 2010; Andersen, 2010), while others have analyzed the factors that may influence the development of different entrepreneurial orientation dimensions (Casillas et al., 2011; Cruz & Nordqvist, 2012). In these studies, the most commonly used dimensions of entrepreneurial orientation are innovation, proactiveness and risk-taking, while some authors have added competitive aggressiveness and /or autonomy.

In some cases, such a conceptualization of entrepreneurial orientation may be too narrow to satisfactorily explain the innovation processes in the services sector (Boling, 2012), so we decided to add a dimension of customer orientation, which also impacts innovation in service enterprises (Tajeddini, 2010). The dimensions of entrepreneurial orientation can be moderated by external environmental factors, including dynamism, complexity and industry characteristics, as well as by internal firm characteristics, such as size, structure, strategy, strategy-making processes, firm resources and culture (Lwamba et al., 2013).

#### Proactiveness

Proactivity refers to the ability to anticipate future needs by seeking new opportunities that are not nec-

essarily associated with the ongoing activities of the company. It also means a presentation of new products and services that are a step ahead of the competition. It requires following the strategy of the elimination of products and services that are mature and therefore in the declining stage of their life cycles (Venkataraman, 1989). Proactiveness is, therefore, the ability to recognize the market's future trends. Aiming to become leaders in the market, proactive firms in the manufacturing sector ordinarily produce new products and services. Such firms are also able to respond to market opportunities (Miles & Snow, 1978). Proactiveness is a tendency of being ahead of competitors when introducing products (Lwamba et al., 2013). Pro-activeness actively seeks opportunities, and has the capacity to introduce new products or services ahead of the competitors. Proactive firms can anticipate future demand; they create change and shape the environment (Lumpkin & Dess, 2001). Similarly, Stevenson and Jarillo (1990) defined proactiveness as a firm's capacity to recognize favourable business opportunities, which can lead them to higher economic performance. Kreiser et al. (2002) emphasized that innovativeness and risk taking has received much more attention from researchers in the area of entrepreneurship than proactiveness has.

#### Risk Taking

Risk taking is about entering the area of the unknown. Organizations have to take risks; if they do not, they may lose market share in a turbulent environment (Covina & Slevin, 1991). The risk-taking dimension is very closely linked to innovation and proactiveness, which means that companies that are proactive can better perceive the opportunities in the market, and in the larger environment. If they are disposed to take risks and are, therefore, willing to accept a higher level of risk in exploiting these opportunities in the market (Tang et al., 2008), they will probably succeed in the introduction of new products and services on the market. Firms that do not like to take risks will be late in introducing innovations and will not succeed in exploiting opportunities in a dynamic global market environment. This can result in operating in a small market (Hughes et al. 2007). Risk taking is historically the first attribute of entrepreneurs and has long been defined as the

ability to face uncertainty, and the intention of investing resources with the aim of taking advantage of uncertain opportunities. Firms that decline to take risks usually adopt a decision before they even have all the necessary information from the global environment (Lumpkin & Dess, 2001).

Risk taking is the degree to which entrepreneurs are willing to make large and risky actions, also those with a big chance of expensive failures (Miller & Friesen, 1978). In the literature, inconsistencies remain regarding the definition and measurement of risk taking. While studying risk taking, Martin and Lumpkin (2003) focused on the investments of personal assets and the degree of tolerating debt, while other researchers linked risk taking to innovation (Benson, 1991), to performance (Gomez-Mejia et al., 2007), or to debt levels (Mishra & McConaughy, 1999).

In their study, Kraus et al. (2011) showed that turbulent environments have positive effects on the performance of innovative SMEs, but the level of risk should be minimized and SMEs should avoid overly risky projects. Entrepreneurs often invest a significant proportion of resources in a risky project (i.e. where the great possibility of failure exists). It is essential to focus on moderated and cautious risk-taking instead of uncontrolled risk-taking (Morris et al., 2008). Although it is expected that the risk-taking behaviour be positively related to the financial performance of the SME, many studies concluded that risk-taking was not positively related to firm performance. Swierczek and Ha (2003) found this to be so in a sample of firms in Vietnam and Thailand, while Hughes and Morgan (2007) acquired similar results in their study among incubating firms in UK.

#### Autonomy

The individual is autonomous when he is able and wants to independently decide about opportunities (Lumpkin & Dess, 1996; Arzubiaga et al., 2012). This also means a desire to be independent in decision-making. Entrepreneurs with a high degree of autonomy appreciate the importance of individualism and freedom; they usually contradict the rules, procedures, and social norms (Kirby, 2003). Children should be trained and educated to be highly autonomous; they should be acquainted with what responsibilities are linked with freedom (Gibb, 2002). In the con-

text of entrepreneurial orientation, autonomy seems to be an important dimension when aiming to enhance the strengths of the company and to improve business performance (Kanter, 1983). Autonomy is positively related to innovation; it preserves and enhances competitiveness and, consequently, positively influencing the efficiency of enterprises (Arzubiaga et al., 2012). Being independent and free is almost a necessity for the individual in the process of the creation of a new venture (Lee & Peterson, 2000). A lack of autonomy can lead an individual or company to passivity (Hughes et al., 2007).

#### Competitive Aggressiveness

Competitive aggressiveness is the mode in which the company responds to competition in the market and a way of reacting to market trends and demand (Lumpkin & Dess, 2001). The organization should understand its competitors as a kind of enemy that needs to be overcome. If they do so, they make use of competitive aggressiveness (Hughes & Morgan, 2007; Lumpkin & Dess, 1996). Competitive aggressiveness is designed to defend the market position and to fight against everything that threatens a firm's survival (Short et al., 2009). It is sometimes difficult to distinguish between being proactive and being aggressive, because these two dimensions are extraordinarily correlated. In their study, Lwamba et al. (2013) measured the competitive aggressiveness with variables from competitive marketing strategies, which can help in increasing sales with changes in pricing and distributive channels. If a new product or service is an imitation of an existing product, this kind of competitive aggressiveness can be understood as reactive (Zellweger & Sieger, 2012). A firm that makes use of competitive aggressiveness is willing also to use non-traditional methods of competition, e.g. new types of distribution or other new marketing activities.

Martin and Lumpkin (2003) agreed that nowadays entrepreneurs focus more on profitability than on gaining market share, which is why the level of competitive aggressiveness decreases.

#### Customer Orientation

Marketing has a special role when firms are implementing business models and strategies. Because of the increasingly competitive global environment,

firms have to offer quality products and services to customers (Day & Wensley, 1988). Being customer oriented means being focused on consumers and their needs. Only by creating customer satisfaction can firms make profits (Kotler & Armstrong, 1994). When developing market strategies, customers play a most critical role in the external environment of the firm, which is even more important for service enterprises, such as tourism. Services have unique and heterogeneous characteristics and an inherent intangibility; consequently, customer needs are more critical in these sectors than in manufacturing (Tajeddini, 2010). Employees in service firms should be trained in customer orientation, because their behaviour can contribute to service firms' financial performance (Hennig-Thurau, 2004). In service firms, employees are daily in contact with customers and thus they directly influence customer experiences as well as control and manage their expectations (Daniel & Darby, 1997). Customers are often assigned to the specific service employees; therefore, customers judge the quality of services according to the impression built by employees (Hennig-Thurau, 2004).

By adopting a customer orientation approach, firms can achieve a sustainable competitive advantage (Narver & Slater, 1990). Additionally, customer orientation can also be a critical factor influencing innovativeness in the organization (Hurley & Hult, 1998). While performing research in the area of tourism, many scholars have come to conclude that customer orientation positively influences innovativeness and, consequently, the performance and other outcomes (Nsenduluka & Shee, 2009).

#### Innovativeness

Innovation activities are essential for the growth and survival of all kinds of organizations and businesses. Because of the ongoing process of globalization, firms have to innovate in all areas, i.e. in products and services, processes, managerial strategies, marketing, etc. In reviewing the literature, many definitions on innovation and innovation activities can be found. One of the beginners in the field of innovation and classic economic theory was Joseph Schumpeter (1934); he linked entrepreneurs with innovation, as entrepreneurs are developing new products and processes. Innovativeness is reflected in the creativity and openness to new ideas. Lumpkin and Dess (1996)

defined innovation as “the tendency of a company to get involved and support new ideas, novelty, experimentation and creative processes that may lead to new products, services or technological processes”. Innovation in organizational literature means the tendency of companies to introduce entirely new or merely improved products and services.

The academic interest in innovation research was first focused on manufacturing; only in 1970 did interest expand to the service sector, and technological innovation seemed to be in the forefront to 1980. Since the 1990s, the study of innovation in services has gradually expanded. It has been argued that the

service sector cannot be successful only by being a passive receiver of innovations that are primarily developed in the manufacturing industry. Moreover, service firms need to have departments and teams that are generally involved in the innovation process (Hipp & Grupp, 2005). Authors have mostly defined innovation in services based on the theories valid for manufacturing, or they developed specific models for services (Gallouj & Savona, 2009; Gallouj & Windrum, 2009).

The theoretical framework of the model is presented in Figure 1.

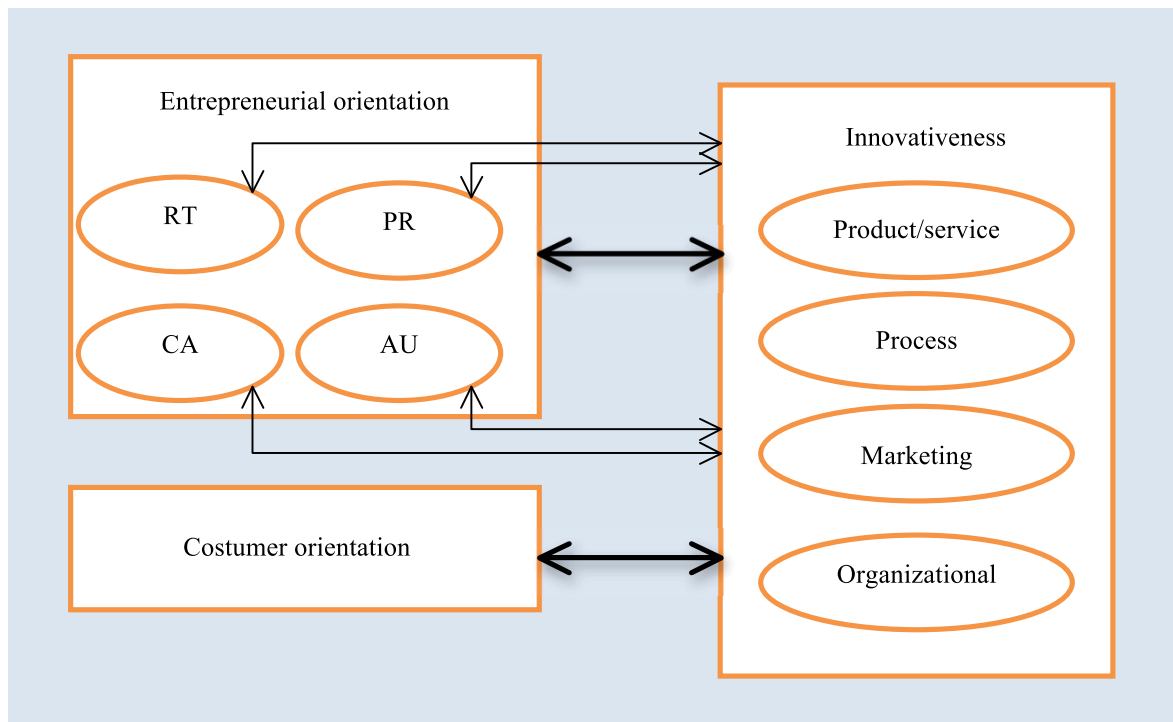


Figure 1 The Conceptual Framework  
RT: Risk taking; PR: Proactiveness, CA: Competitive aggressiveness, AU: Autonomy.

### Methodology

The methodology is discussed in terms of its description of variables and measurement, data collection process, sample description and data analysis. Based on the aim of the research and developed hypotheses, the conceptual model was empirically verified on the sample of Slovenian tourism enterprises.

### Sample and Data Collection

For data collection, we used a questionnaire that was pre-tested. The questionnaire contained questions that provided the necessary data on entrepreneurial orientation, customer orientation, innovation activities and information about the firm. The target population was firms with up to 250 employees. The re-

source for all business entities was the AJPES<sup>1</sup> Register of Slovenia. The sample was selected by random sampling and included 950 companies (small and medium-sized). In the first phase, only 45 complete and usable questionnaires were returned.

The majority of firms, 13 or 28.19% operated in the restaurant industry. There were 11 (24.4%) companies that were active in accommodation activity, five of them (11.1%) were tourist agencies, five (11.1%) were from the transport sector, and ten (22.2%) performed other activities in the field of tourism. The majority (15 or 33.3%) were from 10 to 20 years old; 13 (28.9%) were more than 20 years old, and all other firms were younger than 10 years. The majority (36 or 80%) of companies have less than 10 employees, six (13.3%) of them between 11 and 50 employees, three of them have more than 51 employees. The majority of the firms (21 or 46.7%) stated that their total amount of sales in the last year was lower than €50,000, ten (22.2%) earned between €50,000 and €200,000, and 14 of them earned more.

#### Measurement of Variables

All constructs were measured using existing scales, and all items were measured on a five point Likert-type scale where 1=strongly disagree and 5=strongly agree. Entrepreneurial orientation dimensions were measured with 20 items, four of them measuring risk taking (adapted from Aktan & Bulut, 2008), five measuring proactiveness (adapted from Aktan & Bulut, 2008, Nasution et al., 2011), three measuring competitive aggressiveness (adapted from Aktan & Bulut, 2008), three measuring autonomy (adapted from Nasution et al., 2011) and five measuring customer orientation (adapted from Tajeddini, 2010). The scale of innovativeness was created from the existing literature and chosen as being the most appropriate for our study, i.e. for the tourism sector. Innovativeness was measured with 19 variables (five for product innovation, five for process innovation, five for marketing innovation and four for organizational innovation); all variables were adapted from Nieves et al. (2014).

#### Findings

The statistical analyses were performed using SPSS 19. As the values of skewness and kurtosis were above  $|2|$  for all the variables, their distribution is similar to a normal one; as a result, there was no reason to exclude any item from our analysis. In order to test the correlations between the dimensions from our framework, explorative factor analysis, using the principal component method, was performed. This technique was used for each dimension separately (based on one factor). All the communalities were higher than four; therefore, no item was eliminated at this phase.

In the first part of the questionnaire, respondents answered questions about entrepreneurial orientation. The variable that was rated the highest on a scale from 1 to 5 was “We constantly seek opportunities to improve our business performance”, with 4.22, which was only slightly lower (4.18) the variable “We constantly seek new opportunities related to the present operations”. Both of them measured the dimension proactiveness. The lowest (2.40) evaluation was given to the variable “Our firm has a strong tendency to increase the market share by reducing the competitors”, while the variable “Most people in our organization are willing to take risks” was estimated just a little better (3.09). Other variables were estimated from 3.16 to 3.93. The relatively low levels of standard deviation (from 0.85 to 1.13) show that the answers were mostly concentrated around the average value and show the unity of the respondents.

1 The Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES) is a primary source of official public and other information on business entities in Slovenia.

Table 1 Entrepreneurial Orientation

	Variable	Mean	SD	Factor loadings	KMO and Bartlett's Test
Risk taking	Relative to our competitors, our company has a higher propensity to take risks.	3.27	1.07	0.70	0.614
	Most people in our organization are willing to take risks.	3.09	1.13	0.69	
	Our company has shown a great deal of tolerance for high risk projects	3.16	1.04	0.87	
	The term "risk taker" is considered a positive attribute for people.	3.44	0.84	0.81	
Proactiveness	Our company typically initiates actions to which competitors then respond	3.78	1.00	0.72	0.775
	In dealing with its competitors, our company has a strong tendency to be ahead of other competitors in introducing novel idea or products	3.38	0.98	0.85	
	We constantly seek opportunities to improve our business performance	4.22	0.93	0.91	
	We constantly seek new opportunities related to the present operations	4.18	0.86	0.82	
	We are always ahead of our competitors in responding to market challenges	3.30	0.83	0.88	
Competitive aggressiveness	Owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the firm's objectives.	3.67	1.00	0.65	0.610
	Our firm typically adopts a very competitive, "undo-the-competitor" posture	3.11	0.86	0.84	
	Our firm has a strong tendency to increase market share by reducing the competitors	2.40	1.10	0.82	
Autonomy	Employees are encouraged to take responsibility for their work	3.71	0.99	0.89	0.734
	Employees are supposed to get the job done with minimum supervision	3.93	0.92	0.89	
	Employees are encouraged to prioritize their work	3.91	0.85	0.92	

The factor loadings for the dimension "Risk taking" are between 0.69 and 0.87 (KMO value is 0.614), for the dimension "Proactiveness" from 0.72 to 0.91 (KMO value is 0.775), for "Competitive aggressiveness" from 0.65 to 0.84 (KMO value is 0.610) and for "Autonomy" from 0.89 to 0.92 (KMO value is 0.734). All the KMO values are above the minimum acceptable level (0.50). The results of Bartlett's test for each dimension were 0.000 ( $p < 0.001$ ).

In the second part of the questionnaire, respondents answered questions about customer orientation. The variable that was rated the highest on a scale from 1 to 5 was "We are more customer-focused than our competitors", with 4.24, only slightly lower (4.18) was the variable "We believe this business exists primarily to serve customers". The lowest (3.62) evaluation was given to the item "We know our competitors well", while the variable "We have a good sense

of how our customers value our products and services” was rated slightly better (3.64). The relatively low levels of standard deviation (from 0.84 to 1.01) show that the answers were mainly concentrated around the average value and show the unity of the respondents.

The factor loadings for the dimension “Customer orientation” are between 0.56 and 0.86 (KMO value is 0.775). The KMO value is above the minimum acceptable level (0.50). The result of Barlett’s test for this dimension is 0.000 ( $p < 0.001$ ).

Table 2 Customer Orientation

	Variable	Mean	SD	Factor loadings	KMO and Bartlett's Test
Customer orientation	We know our competitors well	3.62	1.01	0.56	0.775
	We have a good sense of how our customers value our products and services.	3.64	0.88	0.81	
	We are more customers focused than our competitors.	4.24	0.88	0.86	
	The customer’s interest should always come first, ahead of the owners’.	4.02	0.92	0.72	
	We believe this business exists primarily to serve customers	4.18	0.84	0.80	

In the third part of the questionnaire, respondents answered questions about innovation activities in their firm. The variable that was rated the highest on a scale from 1 to 5 was “Our organization constantly seeks new services”, with 3.73; the variable “We have introduced many modifications to existing services” only slightly lower (3.48). Both of them measured product innovation. The lowest (2.60) evaluation was given to the variable “The new organiza-

tional methods that we have incorporated have been pioneering in the sector”, while the variable “We often introduce new practices in work organization or firm procedures (e.g., new quality management practices, new information and knowledge-management systems, etc.)” was slightly better (2.67). Other variables were estimated from 2.70 to 3.49.

Table 3 Innovativeness

	Variable	Mean	SD	Factor loadings	KMO and Bartlett's Test
Product innovation	We have introduced many new services onto the market.	2.77	1.05	0.79	0.784
	We have introduced many modifications to existing services.	3.48	0.93	0.75	
	Our organization constantly seeks new services	3.73	1.00	0.83	
	We have introduced more new services than our competitors.	3.36	1.01	0.89	
	The new services we introduced have caused significant changes in the industry	2.89	0.95	0.79	



	Variable	Mean	SD	Factor loadings	KMO and Bartlett's Test
Process innovation	We frequently update service delivery methods to increase productivity	3.34	0.91	0.48	0.723
	We frequently incorporate technologies to improve efficiency (e.g. water and energy saving devices, etc.).	3.02	0.95	0.82	
	We frequently incorporate technologies to improve the quality of our service.	3.05	0.90	0.90	
	We make major investments to incorporate new computer techniques, equipment and/or programmes	3.19	1.08	0.87	
	We frequently train our staff in new technologies in this sector*.	2.91	1.09	0.72	
Marketing innovation	We are dynamic in developing and using new sales channels (e.g., Internet as a sales channel, presence on social networks, etc.).	3.49	1.06	0.68	0.672
	We frequently introduce new techniques or channels for promoting our services (new advertising channels, new customer loyalty cards, etc.).	3.29	1.02	0.82	
	We frequently introduce new methods for pricing our services	3.09	0.84	0.75	
	Our competitors use our marketing methods as a point of reference.	3.19	0.91	0.81	
	The new marketing methods we have incorporated have been new to the sector.*	2.86	0.92	0.70	
Organizational innovation	We frequently introduce organizational changes to improve the division of responsibilities and decision making (e.g. decentralization, department restructuring, etc.)	2.88	1.05	0.89	0.772
	We frequently introduce new methods for managing external relationships with other firms or public institutions (e.g. new alliances, new forms of cooperation, etc.)	2.70	0.91	0.94	
	We often introduce new practices in work organization or firm procedures (e.g. new quality management practices, new information and knowledge-management systems, etc.).	2.67	1.03	0.85	
	The new organizational methods that we have incorporated have been pioneering in the sector.	2.60	0.93	0.87	

The relatively low levels of standard deviation (from 0.84 to 1.09) show that the answers were mostly concentrated around the average value and show the unity of the respondents.

The factor loadings for the dimension "Product innovation" are between 0.75 and 0.89 (KMO value is 0.784), for the dimension "Process innovation" from 0.48 to 0.90 (KMO value is 0.723), for "Marketing innovation" from 0.68 to 0.82 (KMO value is 0.672) and for "Organizational innovation" from 0.85 to 0.94

(KMO value is 0.772). All the KMO values are above the minimum acceptable level (0.50). The results of Bartlett's test for each dimension are 0.000 ( $p < 0.001$ ).

Next, the correlations between all the dimensions from our framework will be presented.

Table 4 Correlations

		(F1)	(F2)	(F3)	(F4)	(F5)	(F6)	(F7)	(F8)	(F9)
(F1)	Pearson Correlation	1								
(F2)	Pearson Correlation	0.661**	1							
		0								
(F3)	Pearson Correlation	0.423**	0.369*	1						
		0.004	0.013							
(F4)	Pearson Correlation	0.565**	0.632**	0.311*	1					
		0	0	0.037						
(F5)	Pearson Correlation	0.498**	0.634**	0.224	0.588**	1				
		0.001	0	0.139	0					
(F6)	Pearson Correlation	0.508**	0.508**	0.109	0.450**	0.357*	1			
		0	0	0.474	0.002	0.016				
(F7)	Pearson Correlation	0.386**	0.543**	0.445**	0.348*	0.257	0.519**	1		
		0.009	0	0.002	0.019	0.088	0			
(F8)	Pearson Correlation	0.265	0.481**	0.314*	0.327*	0.303*	0.498**	0.629**	1	
		0.078	0.001	0.035	0.028	0.043	0.001	0		
(F9)	Pearson Correlation	0.13	0.285	0.256	0.126	0.309*	0.422**	0.337*	0.596**	1
		0.393	0.058	0.09	0.411	0.039	0.004	0.024	0	

\*\* Correlation is significant at the 0.01 level (2-tailed).  
 \* Correlation is significant at the 0.05 level (2-tailed).  
 (F1)- Risk taking, (F2)-Proactiveness, (F3)-Competitive aggressiveness, (F4)-Autonomy, (F5)-Customer orienta-

tion, (F6)-Product innovation, (F7)-Process innovation, (F8)-Marketing Innovation, (F9)-Organizational Innovation

The starting point for the analysis is the correlation matrix, from which correlation coefficients and statistical significance of these are evident.

The highest linear correlation (0.66) exists between factors Risk Taking and Proactiveness, followed by the correlation of 0.63 between Customer Orientation and Proactiveness, then the correlation of 0.63 between Autonomy and Proactiveness, followed by the correlation of 0.63 between the Marketing Innovation and Process Innovation. Slightly lower, but still statistically characterized are the correlations between the factors Customer Orientation and Autonomy, (0.59), between Autonomy and Risk taking (0.56), between Proactiveness and Process Innovation (0.54), between Product innovation and Process innovation (0.52), the same value 0.508 is found between Product innovation and Risk taking, as well as between Product innovation and Proactiveness. The correlation coefficients, lower than 0.5, but still statistically significant, are between Competitive aggressiveness and Risk taking, Competitive aggressiveness and Proactiveness, Autonomy and Competitive aggressiveness, Process innovation and Competitive aggressiveness, Autonomy and Process Innovation, Product Innovation and Autonomy, Product Innovation and Customer orientation, Marketing innovation is correlated (statistically significant) with Proactiveness, Competitive aggressiveness, Autonomy, Customer orientation and Product innovation, while Organizational innovation is correlated (statistically significant) with the Customer orientation, Product innovation, Process Innovation and the Marketing innovation.

Other correlations are small and non-statistically significant.

### Discussion

This paper contributes to the insight of innovativeness in the field of tourism. The interest in this subject is extensive, and it will continue to be so. We discussed the entrepreneurial and customer orientations as the predictors of innovativeness in tourism. The importance of innovativeness for the tourism business has been recognized by both researchers and practitioners. In the reviewed literature, agreements that much remains to be done in the field of innovation in tourism have been reviewed. The tourism sector has particular characteristics; therefore,

innovation activities should not be performed in the same manner as that of other services.

At this step, we suggest advancing this research by performing the survey on a larger sample, in developing measures for more dimensions, that influence innovativeness (for example networking, technological development, internal and external environment) and also empirically testing innovativeness outputs (e.g. firm performance). Only including these variables in research would reveal the importance of antecedents for innovation activity, innovation performance and, consequently, firm performance.

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