Cultural tourism and rural entrepreneurship: A case study of a Scandinavian literary festival

David W. Marcouiller¹ | Knut Ingar Westeren²

¹University of Wisconsin, USA
²Nord University, Norway

Correspondence
David W. Marcouiller, University of Wisconsin, 101 Old Music Hall 925 Bascom Mall, Madison, Wisconsin 53706, USA. Email: dave.marcouiller@wisc.edu

Abstract
Tourism demand within peripheral regions reflects visitor motivations to seek experiences constrained by attributes that involve the abilities of these visitors. Often, the basis of tourism supply is driven by accessible publicly-owned common-pool resources that exist as regional economic assets yet are unpriced in the marketplace. Free-riding prevails as rent-seeking firms utilize non-marketed natural and cultural assets in their production practices. The work reported here develops concepts that illustrate keys to successful cultural tourism entrepreneurship using a case study of a festival on the Norwegian coast that features the treasured literary works of Olav Duun. Results suggest that public-private partnerships can be used to stimulate entrepreneurial activity. Further, success is a function of managerial expertise in attaining visitor experience that falls within the flow channel.

KEYWORDS
environmental taxes and subsidies, externalities, production and organizations, redistributive effects, sports, gambling, recreation, tourism, regional, urban, and rural analyses

JEL CLASSIFICATION
D2; L83; O18; D78; H23
INTRODUCTION

Tourism is an increasingly important component of regional economic systems and is unique as an economic sector. Inputs central to its production are latent and rely on non-marketed goods and services. Understanding the equilibrium between tourism supply and tourism demand is complex; particularly so for visitation based on cultural assets. Cultural tourism demand is based on visitor motivations to travel that rely on common-pool cultural resource inputs generally lacking market price signals. These historic and cultural attributes are regionally-specific. The supply of cultural tourism must incorporate a host of experiential elements that relate to the knowledge, curiosities, and abilities of the visiting tourist.

The question of how cultural tourism is produced remains poorly-specified and provides a wide opportunity spectrum within which small firm entrepreneurial behaviours operate and dictate success. What exists as the tourism "industry" (travel, lodging, and eating/drinking sectors) is often found as supportive, but secondary, to the role of landscape, culture, and experience. In this, we agree with the arguments and perspectives forwarded by the late Neil Leiper (1990, 1999, 2008) that tourism can, at best, be characterized as "partially industrialized." This unresolved regional concept of how cultural tourism is produced serves as the research question that we address with the aid of qualitative case study methods.

Latent and non-priced production inputs provide complexity to empirical observation. In addition to the importance of natural landscape amenities and cultural attributes, intangible components such as authenticity and controlling factors critical to the experience itself involve production management decisions (Richards & Wilson, 2006; Trauer, 2006). While many elements of tourism demand have been studied in detail (Driver & Peterson, 1991; Tisdell, 2006), tourism supply remains ill-defined and analytically confused (c.f. Smith, 1987, 1993, 1994; Leiper, 2008; Dissart & Marcouiller, 2012). The integration of consumer experience within the tourism production function appears generally inimical to firm-level microeconomic analysis. The development and incorporation of broader production metrics and the recognition of experience and non-marketed amenities within a comparative regional supply framework of tourism resources have long been identified as key conceptual needs (Hall, 2008; Hall & Page, 2006; Mossberg, 2007; OECD, 1996, 1999).

Experience has become a key concept for the understanding of touristic behaviours and tourism production. Hird and Kvistgaard (2010), Ritchie and Hudson (2009), and Mossberg (2007) provide overviews dealing with experience as a concept in defining, understanding, and empirically analyzing tourism. Research in psychology (Bonaiuto et al., 2016; Csikszentmihalyi, 1990) develops the concept of the optimal experience within the framework of a "flow channel" model. This flow channel approach is useful to represent experience within the analysis of touristic behaviour and is central to understanding how cultural tourism is successfully and optimally produced. How public and private entrepreneurship creates visitor experiences within the flow channel represent keys to the success of cultural tourism endeavors.

The concept of a regional experience-scape has been developed by several tourism scholars (c.f. Rossmann & Schlatter, 2008; Mossberg & Eide, 2017; Pine & Gilmore, 1999). An experience-scape attempts to create sites authentic to some regionally-specific attribute. These attributes can be cultural, historic, natural, and/or built. O’Dell and Billing (2005) describe experiences occurring regionally as a combination of individual site attributes that are authentic to varying themes. Further, the term experience-scape is often defined by market-based production activities planned for regionally by local entrepreneurs, place marketers, and city planners such that consumer experience is staged within stylized landscapes. Indeed, experience-scapes are increasingly understood as central to tourism creation and are consistently shown to be important in destination development (Melián-González & García-Falcón, 2003; Murphy, Pritchard, & Smith, 2000).

The basis of this paper extends previous work (c.f. Stern & Seifert, 2010; Armbrecht, 2014; Csikszentmihalyi & Asakawa, 2016) in this thematic area of importance to both tourism economics and regional science. Our intent with

---

1Demand elements involve consumer motivations and needs, personal preferences, participation rates and constraints, physiological and psychological benefits, and factors reflective of income inequality that affect access to opportunities.
this work is to contribute to an expanding discussion that addresses regional tourism supply and the microeconomic aspects associated with producing tourism. This conceptual development of tourism production will be reinforced and applied using case study methods of a cultural literature festival in a scenic rural coastal area of Norway.

Production and consumption of rural tourism are viewed as taking place with equilibrium between supply and demand. We note that joint production within a multifunctional rural landscape is the norm when examining the supply of touristic experiences. Further, experience represents the combination of market-based tourism products (e.g., restaurants, taverns, travel firms, hotels, and the like) and other less market-based regional assets such as the landscape within which the event occurs. Additionally, other consumers and their behaviour, cultural relationships (music, literature, poetry, artwork, etc.), and the landscape itself are central inputs to producing cultural tourism. From the experience point of view, the total supply of tourism represents both planned and unplanned events.2

Our central question of interest can be restated concisely. How can we characterize the production of an experiential tourism product? Once characterized, we then turn to developing a conceptual production function that captures alternative economic additivity outcomes. The work reported in this paper develops a conceptual basis of rural tourism supply that incorporates economic additivity rooted in tourism experiences. We illustrate this supply concept with a rural landscape which exists on the coastal Norwegian island of Jøa where a cultural event is held intermittently. Our intent in presentation of the conceptual approach with reference to this case example will contribute to and help illustrate our understanding of entrepreneurial elements central to producing a cultural rural tourism product.

This manuscript is organized into four subsequent sections. First, we extend the tourism economics and leisure science literature and outline the rural tourism product. Defining this product requires tacit recognition of latent inputs and the joint production of regional activities within which rural tourism is produced. The next section outlines qualitative case study methods used with specific reference to the Olav Duun Festival on the Island of Jøa, Norway. We then present a section on production innovation that ties into our case study and helps elucidate this critical component of tourism production. Finally, we summarize our approach and draw conclusions based on our case study regarding the central needs of integrative tourism planning and policy analysis with key elements that can provide the focus for further research.

2 | BACKGROUND

We begin the description of a more generalized theory of rural tourism supply by presenting an overview of the tourism product and its multi-faceted set of characteristics. The tourism product is unique from other products in its complexity. The tourism product and its regional supply attributes involve a complex combination of amenities, sites, and activities which are influenced by an array of factors that act to provide opportunities for experiences that satisfy the needs and desires of visitors (Kreutzwiser, 1989; Sánchez, Callarisa, Rodriguez, & Moliner, 2006; Smith, 1994, 1998). It has long been understood that tourism products are not simple goods and services that can be easily characterized.

Extending a more comprehensive approach forwarded to highlight the cultural tourism product, we provide an adaptation of Mossberg (2007) that focuses on rural multi-functionality and the tourism product in Figure 1. Note from this figure that we extend the concept of the rural tourism experience beyond the traditionally defined sectors often pointed to as the “tourism industry.” These sectors most often include transportation, lodging, eating/drinking, entertainment, and travel agents. Indeed, rural-specific tourism services include rural amusements, recreational equipment providers, guides, and instructors. Importantly, rural-specific tourism services also comprise interpretative opportunities within cultural, historic, and landscape-based exhibits. Rural-specific tourism goods involve the retailing of agricultural produce, local crafts, and cultural-historic novelty items such as books, paintings, recordings, and related gifts and trinkets.

2This also raises the question of rational behaviour. In tourism, we often find examples of unpredicted emotional experiences generated as unplanned consequences of leisure travel. These can result from entrepreneurial decision-making and control; or the lack thereof.
In our conceptual development of cultural tourism products, we note the importance of joint producers. Often overlooked, these producers are central to the production of a multi-functional rural landscape because they act to affect the natural world within which rural tourism takes place. Indeed, the notion of a bucolic rural landscape is directly affected by working farms, ranches, fisheries, and/or forests and the people who work within these settings. Specific occupations of these joint producers include farmers, ranchers, fishers, foresters, miners, and machine operators to name but a few.

Lastly, governance, land use planning, and public resource management are increasingly seen as critical to the sustainable use of multi-functional landscapes for tourism and outdoor recreation (Nijnik, Zahvoyska, Nijnik, & Ode, 2009). Thus, governance structures serve as important joint producers in rural tourism development. This is particularly true for the ability to maintain, protect, and enhance natural and cultural landscapes for the aesthetic pleasure of travellers to rural regions (O’Donnell, 2016). There is a need to distinguish between tangible and intangible governance. Tangible governance refers to local, state, and national units of government and government services that rely on decisions of elected officials. Decisions are implemented via public policies, management programmes, licences and regulations. While often argued to be less than optimally effective, government actors play a role in fostering tourism innovation and other relevant rural production elements (Marcouiller & Hoogasian, 2014; Mei, Arcodia, & Ruhanen, 2015).

Intangible governance refers to civil society, social capital, and non-governmental institutions that act to foster local, “bottom-up,” collective action and the ability of local tangible governance to make sound decisions about local development projects (Jamal & Camargo, 2018; Nunkoo, 2017). Both tangible and intangible governance can interact to develop improved trust, shared power relations, and more sustainable tourism development (Bramwell & Lane, 2010; Nunkoo & Gursoy, 2016). In fact, local development initiatives probably best take shape when government and non-government stakeholders share their common interests and initiate collaborative arrangements.
While the previous discussion outlines broad categories related to inputs necessary to produce rural tourism, it does not address the qualitative elements necessary to assess alternative tourism outcomes that are controlled by private sector entrepreneurial interests. Why would visitors be willing to pay higher amounts for tourism goods and services in one place relative to another? To address this, we need to more fully capture the experience within a production context. The concept of an optimal experience, or flow, has been developed by Csikszentmihalyi (1990). The flow concept focuses on how consumers and producers interact with an interest in production behaviour. Successful cultural tourism producers will enhance the presentation of the experience provided through targeted offerings that match with and develop abilities (skills) of the participant. Matching cultural skills of the participant with cultural challenge of the offering involves presentations that are both dynamic and intriguing. They require careful matching of rural landscapes with the culture and history of the rural region within which the activity takes place. A host of flow models are presented in Nakamura and Csikszentmihalyi (2009) initially developed for use in leisure studies, sports and arts. Applications have widened to fields like management and computer games. The main idea is still as simple as the statement “people want to experience satisfaction, utility, and happiness but are constrained by their ability to participate.” Optimally, visitor ability to understand and engage with what is going on must be challenged in an appropriate manner by the event in which the visitor participates. The concept can be graphically expressed in Figure 2. Note from this Figure that optimal flow is initially found by adventurous early adopters in A1. Increased participation could proceed to results that reflect boredom (A2) or anxiety (A4). Successful management intervention by motivated entrepreneurs could generate preferred and more profitable outcomes within the expanded flow channel (A3).

The flow model is increasingly being used in the analysis of leisure studies, especially with respect to understanding adventure activities like paragliding (Ayazlar, 2015), mountain climbing (Tsaur, Yen, & Hsiao, 2013), kayaking (Jones, Hollenhorst, & Perna, 2000; Wu & Liang, 2011), rafting (ibid; Tsaur et al., 2013) and hiking (Cheng, Hung, & Chen, 2016a, 2016b). The reason flow models have gained popularity in leisure studies focused on adventure is that they address the very specific match between skills and challenge. A variety of alternate skills/challenge opportunities can be planned for simultaneously using alternative leisure resources and sites that reflect appropriate needs of beginners, intermediates, and experts. The targeted market demand segment (participants) must possess sufficient skills necessary to participate in the activity while producers of such activities must ensure that participants either

![FIGURE 2](image-url)  
**FIGURE 2**  The flow channel model that arrays varying skill-challenge conditions resulting from site-related attributes conditioned by public and private entrepreneurial decisions  
Source: adapted from Csikszentmihalyi, 1990.
have sufficient skills upon arrival or provide sufficient interpretation that allows active learning while participating. Successful adventure tourism firms produce experiences that are strong, memorable and unique. This is at the centre of the flow concept. There are close analogues from the examples of adventure tourism to cultural tourism and our case study of a Scandinavian literary festival. Indeed, much of the entrepreneurship associated with producing cultural-historic tourism can benefit from a flow channel perspective. Producers of such venues want to enhance the mix of inputs such that the resulting experiences (outputs) are strong, memorable and unique.

3 | OUR CASE STUDY METHOD

A qualitative case study method reliant on structured interviews was used to develop insights into a more complete understanding of the cultural tourism production process. The Norwegian island of Jøa, with roughly 500 residents, well-illustrates our conception of the cultural tourism product in a rural peripheral region. This remote island lies roughly six hours’ road-travel-time north of Trondheim and, depending on schedules, another hour or so across the fjord by the Ølhammaren-Seierstad ferry-boat (see Figure 3). The Olav Duun Stemnet (or festival) is a four-day event in memory of the Norwegian writer Olav Duun3 whose boyhood home was the island of Jøa. Our involvement in this case example began in 2009 but has continued through festivals in 2011, 2013, 2015 and 2017.

This qualitative case study approach followed a thorough data collection effort in 2009 using face-to-face interviews with participants of the event before and after the festival. During the 2009 festival we randomly interviewed

---

3Olav Duun (1876–1939) is generally thought to be one of the most prominent of Norwegian novelists nominated on several occasions for the Nobel Prize in Literature. A comprehensive history of his life and works can be found at http://olavduun.no/. Jøa is widely regarded as the “fairyland” setting for the People of Juvik series.
people travelling to and returning from the island of Jøa. This particular three-day event had roughly 500 tourists participating from across Norway. Results from these evaluative questionnaires of participants suggested overwhelming satisfaction with the visit. That said, it was clear from our early data collection efforts that something other than traditional tourism industry offerings played a part in this result. This led us to develop further insight and context for understanding production concepts utilizing an open narrative structured interview approach with event organizers.

Specifically, we interviewed members of the arrangement committee just after the festivals were finished in 2009, 2011, 2013, 2015 and 2017. These included members of the Duun Literary Association and leadership of the municipality. We used an open narrative approach to elicit details about the nature of collaborative efforts in how this festival was organized and implemented. We were particularly interested in how collaboration influenced the organizational set-up and implementation of the festivals. Central to this were elements associated with how this group of tourism producers develop public-private partnerships working together to incorporate appropriate events that achieved staged authenticity. The participation of municipal officials was vital. During the 8 year period of study, we noted a shift from county leadership to more local (municipal) leadership.

There were 10 local private-sector firms who were primarily involved in event preparation and implementation. These were small firms ranging in size from individual self-proprietorships to 40 employees. From a sectoral perspective, these small firms engaged in lodging and overnight accommodation, eating and drinking, ground transportation, theatrical arrangement/stage/sound/light, and professional management consulting. The innovative element for these firms was their ability to collaborate in preparation and to scale up activities during the festival days. To do this they developed strong collaborative linkages with public partners in the project. During the festival days, private firms increased their workforce. All firm managers indicated the need for "organized flexibility based on trust" because after the festival they have to scale down again.

The festival structure has been quite stable during the past eight years. The Arrangements Committee of the Duun Literary Association has been the backbone of festival organization. This group has developed excellent credibility and trust with the local population and directly affected stakeholders of the festival on the island.

3.1 | Background to the festival

This cultural festival involved both indoor and outdoor environments authentic to the culture and history being presented.4 In our case study, the experience was produced, or staged, within scenes faithful to the works of Olav Duun’s fairyland best expressed in the six-part fictional series The People of Juvik (Duun, 1930). The landscape was central to a Duunian experience; best exemplified by late 19th and early 20th Century rural resource-dependent society partaking in life with the setting sun over a coastal Atlantic Ocean landscape. Duun’s writings date back to 1890–1920 where the fight for survival and sustenance was difficult if you lived in one of the small fishery-farming communities along the Norwegian coast. The novels have been developed into theatrical scores about the struggle with nature—the ocean—and love and hate between the people; designed to elicit strong emotive audience reactions. Production of a Duunian experience relates to the flow concept and provides an example of how goods and service providers work to develop experience based on staged authenticity (Chhabra, Healy, & Sills, 2003; Jeannerat, 2012; Zatori, Smith, & Puczko, 2018). Our extension of Csikszentmihalyi’s (1990) flow channel reflects the process of staging and the manner in which producers (entrepreneurs) plan for the right balance between challenge and skill. If staging is done properly, participants “automatically” look for, and expect, the optimal experience falling within the flow channel.

The Duun festival and tourism experience typically includes a variety of events with literary and musical performances taking place in both indoor and outdoor venues. Specific highlights of the festival include seminars and readings of the author’s works, a variety of folk music venues, guided tours of the landscapes and rural bucolic settings

4This factual statement oversimplifies a large body of literature devoted to defining authenticity (c.f. Crang, 1996; Barthel-Bouchier, 2001; Di Dominico & Miller, 2012; Everett & Slocum, 2013; Lu, Chi, & Liu, 2015). That said, the intent of entrepreneurs to stage and commodify a fictional literary representation of the factual boyhood home of a celebrated author which serves as the basis for storytelling does not discount the portrayal of authentic experiences.
found in the Duun novels, and a variety of local goods and services including food, drink, overnight accommodation and local interactions. The location of festival activities takes place across the island; from an outdoor theatre and coastal Pobben (Pub) in Bragstad to the more lecture-oriented events taking place in churches and other venues within the village of Dun.

3.2 | Linking case study methods with cultural tourism production

Our case study methods captured several elements unique to this festival. The festival was organized with a specific interest in integrating literature and the surrounding landscape—Olav Duun novels are set within the “fairyland” context of his boyhood home. In these novels and the subsequent theatrical venues and readings, the event participant is taken through this scenic coastal landscape using events and narratives reflective of island life during the late 1800s and early 1900s. Traditional tourism facilities (food/drink, overnight accommodations, and travel services) on the island of Jøa are limited and rustic; lending to a staged authenticity true to the fictional writings of Olav Duun. There was/is an interest in more formally evaluating outcome metrics of the event. Again, given the limited development on this remote rural island, traditional metrics that track tourism incidence provide only tangential inference to festival benefits. Interest took the form of developing an understanding of the extent to which participants found themselves effectively integrating culture (literature), environment, and the experience.

An early effort was made to solicit formal feedback from participants and results of this are reported separately in Westeren (2010). Early assessments involved developing an understanding of the specific cultural tourism product, regional implications, and decision making that affected outcomes with a specific interest in both public and private entrepreneurial activities. Subsequently, our interests focused on using this understanding to conceptualize the supply attributes of this festival.

Several elements of the flow concept and experience-scape can be drawn from our assessments. First, the concept of experience-scapes is valuable for understanding and explaining how staged presentation of culture and environment combine to form elements of a successful cultural-historic tourism product. In extending the basic experience-scape concept of O’Dell and Billing (2005), we add that rural tourism experiences always have and will continue to be inextricably linked within a context of landscape, culture, and social interaction. It is when we integrate landscape with culture and social interaction that the experience-scape concept becomes more interesting and realistic.

Second, counterintuitive results that place traditional tourism industry elements as secondary and subordinate to experiential elements of landscape, culture, and societal interaction provide the norm, not the exception for understanding how rural tourism is produced. Experience needs to be a central concept in tourism production analysis. Our work intends to contribute to a growing literature on tourism production found within the academic discourse of tourism economics, cultural & economic geography, and post-industrial rural development. We call for a renewed interest and further research in applied non-market resource economic valuation that acts to integrate results from stated (e.g., contingent valuation) and revealed (e.g., hedonic approaches) preference models to understand non-market input values used in the production of tourism.

4 | CONCEPTUAL DEVELOPMENT OF THE CULTURAL TOURISM PRODUCTION PROCESS

To integrate the experience element into cultural tourism, it is important to recognize that production is multifaceted and rests upon a foundation of primary factor inputs. Establishing a production function for cultural tourism is done in

5Our initial assessment reported in Westeren (2010) used structured face-to-face interviews of participants before and after the Duun festival in 2009. Cultural tourists were randomly interviewed but further work remains to address the host of experience-based research questions in future research we hope to conduct.
a dual fashion. Following Johansen’s (1972) classic treatise on production functions we separate ex ante and ex post production functions at the micro level. The ex ante production function may be said to summarize all knowledge about how to combine the possible inputs used in the production process. Using the Duun Festival as an example, it is important to note that there are both substitution possibilities and fixed factor conditions. In general, the traditional production factors are measurable but latent amenity factors (including landscape, culture, and social interaction) require non-market valuation techniques. While they can be readily observed, they are much more difficult to measure. Following Johansen, what we define here are technical relationships; the product \( Y \) has not yet been attained. The ex ante production function is also generally defined under capacity restriction on the factor input side. Infrastructure and the landscape can also be looked at as fixed assets. There are not serious problems with different vintages of capital with different productivity—the technology of producing this type of festival is simple.

The ex ante production function from the standpoint of event planners is outlined in Equation (1):

\[
Y_r = f(T_r, S_r, E_r, J_r, A_r),
\]

where \( Y_r \) is region \( r \)'s total festival output representative of the tourism product; \( T_r \) is non-locally driven market output of the traditionally defined tourism sectors that involve eating, drinking, and accommodations (labour and capital used); \( S_r \) is the site-specific recreation services used in tourism (labour and capital) that involve literature, folk singing performances, and theatrical venues; \( E_r \) represents the multi-functional landscape used by tourists (common-pooled and non-priced) and integrates relevant impressions from Olav Dunn’s Fairyland literature (public good); \( J_r \) reflects the combined extent joint producers affect the landscape within which \( Y_r \) (tourism) is produced (farming, logging, fishing, mining, and technical stakeholders); and \( A_r \) is region \( r \)'s endowment of cultural amenities used in tourism. The festival was comprised of a flow of daily events that included lectures, readings, and outdoor activities. Examples of main events included a variety of outdoor literature presentations made up of theatrical plays, readings from Duun novels, and folk song concerts.

Classically, output \( Y_r \) is a function of land, labour and financial capital; but we add the landscape, joint producers and an amenity component. As argued before, amenities are latent (unpriced) inputs to tourism production. Joint producers like farmers and government also play a critical role via adaptive management practices, allowing participants visitation rights to their working landscapes, and providing public services such as transport infrastructure that facilitate access to tourism destinations, water service, and waste management. From this perspective, government intervention and public sector entrepreneurial behaviours play a significant role in shaping and enhancing the festival as a tourism destination.

Given how various tourism components interact, Equation (2) describes the tourism experience output in a given region and represents an ex post production function based on visitor spending, evaluation and, more generally, utilization of the production factors:

\[
U_r = \gamma \cdot f(T_r^*, S_r^*, E_r^*, J_r^*, A_r^*). 
\]

Following Johansen (1972), \( T_r, S_r, E_r, J_r \), and \( A_r \) have fixed values in the ex post production function and \( U_r \) is region \( r \)'s total experienced output for the participants and defines the ex post production function where \( * \) denotes fixed values. In addition, we now introduce an interaction weighting term \( \gamma \) that describes the compatibility found within the experience-scape by those participating in the event (“other cultural experiencers” as found in Figure 1) where: \( \gamma > 1 \) describes a supra-additive relationship: there are complementary interactions between participants’ use of

---

6The value of producing commodities needs to be assessed using compatibility tradeoffs with impacts on aesthetics and access. Strict maximization of profit subject to input costs is insufficient as a production management strategy for multi-functional outputs which require tempering of externalities. Compatibility of alternative recreational uses can be assessed with an additivity constraint as suggested by Clawson (1974), Bailey and Friedlaender (1982), Weitzman (1992) and Marcouiller, Scott, and Prey (2008). Of course, as non-priced inputs to tourism, there is typically not a mechanism to transfer actual market benefits of tourism to joint producers who, often, rely on government commodity subsidies, non-profit incentives and local pride as additional decision criteria to produce in a certain fashion.
tourism resources that result in an experience greater than the technical ex ante production function output. $\gamma = 1$ reflects a neutral (or strictly additive) relationship: participants’ use of tourism resources interact in a supplemental way; meaning that tourists, ex ante, experience just what was expected—not more, not less. Tourism resources interact the way the ex ante production function describes. The participants’ willingness-to-pay based on expectations prior to the event would equal tourist spending as measured after the event. $\gamma < 1$ describes a sub-additive relationship: participants’ use of tourism resources interact in a manner that results in lower than expected tourism experience. The use of a fixed amount of the production factors result in lower output $U_r$ than the ex ante production function would suggest. Precise estimation of $\gamma$ will require further work to calibrate and benchmark visitor experience. This future research can build on previous economic valuation exercises that utilize both stated (contingent valuation) and revealed (hedonic models) preference approaches. Of particular relevance to this cultural-historic tourism case would be stated preference approaches to value willingness to pay using contingent valuation methods (c.f. Armbrecht, 2014; Schuhmann, Casey, Horrocks, & Oxenford, 2013; Vuletic et al., 2009) with a particular interest in equilibrium values reflective of production inputs. Given the spectrum of additivity, however, it seems plausible that this festival and the surrounding experience-scape does indeed generate supra-additive outcomes ($\gamma > 1$). Certainly, as festival producers learn from each successive offering, improvements that direct participants into the optimal flow channel are inevitable.

From the organizers’ perspective, important entrepreneurial decisions addressed the match between skills of the participant and challenge of interpretation of the various presentations. Interpreting Olav Duun’s writings need to be presented appropriately; not so demanding that they lead the participants into Anxiety (A4 in Figure 2) yet sufficiently challenging such that skills of the participants are not underestimated resulting in Boredom (A2 in Figure 2). The optimal solution was for the organizers to keep the participants in the flow channel (A3 in Figure 2). And here Csikszentmihalyi forwards one of his most interesting results. He suggests that human beings (and festival participants) tend toward dispositions that naturally attempt to make experience optimal. They individually search for a position in the flow channel. If organizers provide opportunities with the right balance between challenges and skills for the variety of participants in the demand segment, the participants will “automatically” look for the optimal experience in the flow channel.

The best solution for the organizers is to produce a programme with accoutrement such that challenges and skills are matched as denoted by A3 in Figure 2. Here, the participant is placed within the flow channel and should result in a supra-additive outcome ($\gamma > 1$ in the ex post production function). The optimal (best) entrepreneurially-planned solution is found in position A3 of Figure 2.

This said, we finally must recognize that luck is also an important aspect of event management. Indeed, production of touristic events have both planned and unplanned occurrences. A remarkably nice evening during which participants experience the sun disappearing over the Atlantic Ocean while at the same time reflecting on Duun’s writing about the forces of nature and love and hate among people is not altogether a plannable event. This can become a very emotional experience that serves as the highlight of the event; just such unplanned occurrences can act to erase or mitigate less positive experiences.

When we formulated the central research question for this article we stressed the interplay between entrepreneurial elements and the production of a cultural-historic rural tourism product. The understanding and explanation of how and why entrepreneurial elements occur cannot be easily drawn from “traditional” business-oriented innovation theory.

With respect to our case study, initial planning for the festival and its subsequent implementation required the coordinated efforts of: (i) regional (Nord-Trøndelag county) and local (Fosnes municipality) authorities; (ii) small private business activities on the island producing traditional tourism-sector goods and services; and (iii) the Duun Literary Association.

Initially, the Duun festival was the focus of a Nord-Trøndelag County regional plan from 2005. This plan stated “In Nord-Trøndelag County we want to develop creation of value and innovations with art and culture as a necessary prerequisite to this contribution” (Nord-Trøndelag Fylkeskommune, 2005, p. 2—authors’ translation).
The logic behind this can be viewed as an adaptation of the triple helix model (Leydesdorff & Etzkowitz, 1998; Leydesdorff & Meyer, 2006; Westeren, Cader, Sales, Similä, & Staduto, 2018). Specifically, the three components of the triple helix model include: (i) wealth generation—here from benefits derived from the tourism product; (ii) “intellectual” input—here from the Duun Literary Association; and (iii) public participation—here from joint producers and governance structures. The triple helix model is an appropriate approach to view the innovative process supporting the Duun Festival because of collaboration. The Duun Literary Association was the creative “engine” behind the festival. This organization required active and conscious interplay with other public and private sector stakeholders.

Originally the triple helix model was based on the interplay between business, university, and government. Subsequently, examples of other types of knowledge producing organizations have become evident. In our case, the Duun Literary Association played the role of innovator. This is consistent with a growing emphasis in the tourism literature focused on application of the triple helix model. For example, the work of Prasunpangsri (2013) applied the triple helix model to tourism and concluded that the model is most appropriate in cases where the resource base for each participant is relatively weak and the success of the model is based on strong ties of trust between the participants.

This is consistent with a growing element found within the tourism economics literature that identifies experience innovation as collaborative and integrated in the day-to-day work of successful entrepreneurial operators (c.f.: Hjalager, 2010; Camisón & Monfort-Mir, 2012; Thomas & Wood, 2014; Jernsand, Kraff, & Mossberg, 2015; Omerzel, 2016; Moosa, 2016; Hansen & Mossberg, 2017). In our follow-up of the Duun festivals we looked at how different groups of participants worked together to develop new solutions based on innovative behaviour.

The innovative aspect derived from the Triple Helix model was how the total system (based on very limited resources) was able to produce subsequent festivals that drew return visitors. This is attributed to how subsequent festivals built upon solid literary quality, new and enhanced productions, targeted food and drink offerings, and favourable overall visitor experiences. High return rates were built upon an improving reputation. These results were based on the importance of trust and are consistent with Prasunpangsri (2013). After each festival, we studied the evaluations of the organizing committee which underscored the importance of an informal organization based on a high degree of trust.

Producing successful cultural tourism events based on an experiential product rests on entrepreneurial behaviour that encompasses innovative process, organization, and collaboration. There has been at least three decades of research on this topic in more traditional goods-producing industries. We suggest that more attention is likewise relevant to understanding the unique and complex production elements that support and create the cultural tourism product.

5 | CONCLUSIONS

In addressing the theoretical inconsistencies of the rural tourism production function, we have outlined key components of the rural tourism product and forwarded elements that serve as inputs to the tourism experience production process. Our interests focused on the tourism product as an experience comprised of a complex combination of traditional tourism inputs, multi-functional rural landscapes, regional natural amenities, joint production processes, and entrepreneurial event planning. Conceptually, components of the rural tourism phenomena can be distinguished into an array of elements that extend beyond the traditionally defined hospitality sector.

The case study of the ongoing Olav Duun festival provides an example of several key elements important to understanding how cultural tourism is produced. Structured narratives with key stakeholders helped us appreciate the importance of flexible collaboration among public and private sector producers to present staged authenticity true to the cultural history of the Duun novels. Entrepreneurial behaviour and trust among the variety of stakeholders was important to the generation of visitor experiences which serve as the rural cultural tourism product. In particular, collaborative planning allowed visitors to experience the literary contributions in a manner that was appropriate to their skill levels. This experiential cultural tourism product integrated non-marketed inputs of the landscape with locally provided goods and services to achieve staged authenticism with respect to the novels of Olav Duun.
Certainly, our case study emphasized that the cultural tourism product must extend beyond traditional tourism industry sectors to more fully capture the local multi-functional landscape, unpriced cultural assets specific to the region, and historical developments that underscore and reinforce regionally specific attributes authentic to the culture being presented.

Important contributions of our extension involve unique community-based resources that include the physical, environmental, and socio-cultural structure of the rural region within which the tourism experience is captured. For rural tourism, these central components are normally reliant on latent environmental attributes of the multi-functional rural landscape, joint production directed by farmers, ranchers and timber producers, matching of participant skills with tourism event challenge, and key issues related to local governance.

A more complete accounting for these extra-market and uniquely touristic elements is required to distinguish regional comparative advantage with respect to tourism production. Indeed, these are what distinguish a rural region’s touristic character. From a supply perspective, we further suggest that the rural tourism product is unique in that it is tightly intertwined within an experience context that requires an assessment of alternative use interactions and sensitivity among jointly produced outputs for their effect on key tourism inputs.

The relevance of this to planning has economic, social, and environmental components. As infrastructure and technology transform economic distance, sense of place with respect to work and leisure increasingly focuses on the presence of amenities within a post-productivist countryside concept (Halfacree, 1997; Halfacree & Boyle, 1998). The economic transformation of traditionally rural communities represents key challenges to development planning. As rural development takes place due to various types of stimuli, amenities are transformed, community structure and social class are altered, and pro-active governance adapts. Sound planning practice can allow for sustainable tourism development that is integrative with respect to rural development.

Tourism planning for cultural events requires careful assessment of participant skills and the corresponding provision of events that entail appropriate challenge. This skills/challenge match can lead to alternative outcomes. Success in tourism planning can be measured by the ability to generate supra-additive outcomes in supplying a tourism product firmly rooted in appropriately staged authenticity of regional natural amenity endowments, cultural and historic attributes, and infrastructure.

This work provides an outline for a significant future research agenda. Questions that need to be addressed include empirical issues related to the regional presence of rural amenities (e.g., typology, measurement, spatial analysis, explanatory models, etc.). Economic development questions can focus on how we might regionalize our production concepts to rural tourism based on comparative advantage of relevant factor endowments. From a flow channel and experience perspective, how can we calibrate and benchmark the skills/challenge match with ex ante and ex post data on visitor perceptions and price/value choices? Further, to what extent can we generalize the temporal components of rural tourism that build from the original Butler (1980) concept of the tourism destination life-cycle in a manner that integrates the presence and temporal change of a regional amenity base? Finally, how does the use of inputs in producing rural tourism create other opportunities for community development by increasing social capital and stimulating local initiatives?

We conclude the manuscript with restating the fact that tourism is a relatively recent yet transforming element of rural regional change. Its rapid growth during the past seventy-five or so years has placed itself within communities dominated by agrarian and natural resource dependency traditions and significant developmental dilemmas that span economic, cultural, and environmental concerns. As highlighted in this contribution, the potential for the existence of supra-additive rents increases as a given region differentiates itself from the rest-of-the-world and coordinates its resources (public and private goods and services) with the objective of creating location-specific and innovative supply–demand combinations. Enhancement of local resources relies on the capacity of stakeholders to set up an institutional context where incentives and disincentives serve as a basis to incorporate tangible regional development benefits that accrue to private tourism firms as a result of positive interactions. Overall, there is a central need for integrative tourism planning and policy analysis that relates to both the consumption and production of tourism activities.
ACKNOWLEDGEMENT

The authors extend appreciation to Jane Zheng, Tomaz Dentinho, and four anonymous reviewers of Regional Science Policy and Practice for insightful comments and critiques of earlier versions of this manuscript. Of course, all remaining issues are the sole responsibility of the authors.

REFERENCES


Resumen. La demanda turística dentro de las regiones periféricas refleja las motivaciones de los visitantes que buscan experiencias limitadas por atributos que incluyen las habilidades de estos visitantes. A menudo, la base de la oferta turística está impulsada por recursos públicos comunales accesibles que existen como activos económicos regionales y que, sin embargo, no tienen precio en el mercado. El uso gratuito prevalece a medida que las empresas que buscan obtener beneficios utilizan bienes naturales y culturales no comercializados en sus prácticas de producción. El trabajo que se presenta aquí desarrolla conceptos que ilustran las claves para el éxito del emprendimiento en el turismo cultural mediante un estudio de caso de un festival en la costa noruega que celebra las valiosas obras literarias de Olav Duun. Los resultados sugieren que las asociaciones público-privadas se pueden utilizar para estimular la actividad empresarial. Además, el éxito depende de la experiencia de los gerentes para lograr una experiencia de los visitantes que esté dentro del canal de flujo.

抄録：周辺地域内の観光需要は、訪れる旅行者の自らの能力を含む属性に制限される、経験を求める動機を反映している。多くの場合、観光業における供給の基礎は、まだ市場では価格がつけられていない、地域の経済的資産として存在するアクセス可能な公共の共有資源により決定される。レントシーキングを行う企業が、市場のものではない自然資源および文化資源を商品として利用するのに伴って、フリーライドも横行する。本稿では、Olav Duun の有名な文学作品をフィーチュアしたノルウェーの海岸線のフェスティバルを例にしたケーススタディを行い、文化的観光業のアントレプレナーシップの成功の要因を例証する概念を詳述する。結果から、アントレプレナーの活動を促進するには官民パートナーシップが有用であることが示唆される。さらに、成功は、フローチャネルの範囲内に入る旅行者の経験を獲得するための経営の専門知識の機能である。