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Nathan Michael Ardaiz





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Univerza v Ljubljani

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## MASTER THESIS

### **San Francisco's 'Prototype Tourism:' A Grounded Theory on the Course of Business Travel and Destination Management**

Wednesday, July 31, 2013

Nathan Michael Ardaiz

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## INTRODUCTION

One of my greatest experiences as a traveler, and one that has prompted me to write this paper from my own personal perspective (The autoethnographical approach will be explained in Chapter 1.3 Ethnography and biography) occurred on the coast of the Adriatic Sea, in the city of Zadar. Zadar is home to the sea organ, which is an instrument that captures the wind and flow of the tides in 35 organ pipes to create a seemingly random melody for visitors. This simply designed public instrument has developed in to one of the top attractions in the region without the promotion of religious relics, the marketing of heritage or the pushing of belief; for me, that was the essence of innovation. The ability to exploit other (than ones mentioned above) characteristics of a destination to create experiences is at the core of the ‘Sea Organ model,’ and one that I hoped to develop a better understanding of during the course of this research.

The Sea Organ is a kind of metaphor, in this context. A fantastic piece of art that molds with, corresponds to, and balances a pre-existing environment; a piece that is the culmination of a deep understanding of how nature, technology and raw physical form can be crafted in to something entirely new; a piece that challenges assumptions of what a destination can look, feel, and sing like. The Sea Organ offers no fracturing opinion, but rather thoughtlessly provides soothing ambience, and a signature of sorts. With this approach, cities, destinations and spaces can be dynamic without having anything passed to them. To some extent in the tourism literature, this has been described as ‘soft’ and ‘hard’ culture, but it goes beyond simply polarizing physical and innate characteristics of a place (Buhalis & Sowerby, 1996). Institutionalized religion, nationality and other ‘traditional’ forms of heritage may be viewed as day-to-day, soft culture, however, these ideas are inherently contradictory, stale and non-creative; completely contrary, as we will see, to what is necessary to disturb the status quo, and test the boundaries of design and change. Consequently, the success of a destination will increasingly be based on a new thought process toward lifestyle nuances, and how the flow of travelers and tourists more seamlessly exchange social capital (the strength of relationships and communities) already prospering in said destination. The implications for understanding this better are enormous for the tourism sector, and have thus become the inspiration for the deliverables of this work; deliverables that are based on the skills, meanings, values and attributes of the people and processes of San Francisco, California, USA.

San Francisco itself, from the edge of the Mediterranean climate, to the hills of coastline, and the surging fog has long been the objective of travelers from around the world; from the Spanish settlers and a search for the new world, to the laborers and miners of the 19<sup>th</sup> century, to the metropolitan tourist and entrepreneur of today. Jaime Lerner, the once mayor of Curitiba, Brazil, defines São Francisco as a product of its two arterial thoroughfares: Market Street and Van Ness Avenue. The University of San Francisco advertises their product as the ‘University of the Best City Ever,’ which might not be too far from the popular opinion of its residents. Conversely the city and the locals have been labeled (fairly or/and unfairly) as pretentious and arrogant; perhaps no more famously than the creators of the satirical animated comedy, South Park, which based an

entire episode on the ‘smug’ that had emanated from the people of the city, ultimately leading to its suffocation. Regardless of the popular, or unpopular opinion of the space that constitutes *the city*, San Francisco is in fact a first-class destination with a density of attractions unlike most cities in the world. There are, of course, the Golden Gate Bridge’s and Alcatraz’s of the tourism landscape in San Francisco, which one might label as ‘A-level’ attractions. Even Lombard Street – ‘the world’s most crooked street,’ the inclined Cable Cars, and the waterfront complexes of pier 39 and Fisherman’s wharf represent heavy draws for the ‘mass tourist.’ Perhaps one respondent captured the essence of the tourism product in his proposal for a slogan. ‘San Francisco - come for the sex, stay for the food,’ (Interviews, 2013). Though slightly terse, there is great truth in the popular image of San Francisco’s ‘free love’ heritage, and an even greater truth in the level of food offerings. Having spent much of the first 22 years of my life in the San Francisco Bay Area, often times in my travels I have longed only for one thing from my childhood home: the vastness and quality of smells, flavors, and concoctions of culinary offerings from around the world. Urban centers like New York and San Francisco in the United States have often been likened to a stew of cultures and peoples. This fitting food analogy, especially in the case of San Francisco, brews a reality of diverse, authentic, food types from people who represent the cultures those meals originate from.

The food, and the incredible blend of nationalities, cultures and identities in the city are an illustration of the distinctness and uniqueness of the space studied for this research. I had, for a long time, taken the milieu of diversity as standard, but as anyone who has driven in any direction outside of the region beyond even two hours can attest to San Francisco as a sort of anomaly. As any destination can be a kind of anomaly in its own right, as will be seen throughout the research, the ability of a city to capitalize on its distinct character is what makes a tourism destination relevant.

The objective of the research, in order to remain true to the methodology of Grounded Theory and not hypothesize, is simply to better understand how San Francisco has redefined business tourism. Before the research ensued there was an acknowledgement that this area of California had started to curate business processes that were heavily grounded in the everyday culture of the space. With exceptional collaboration and dialogue, I came to understand that there was in fact a space in the business tourism literature that had not been a heavy focus of study. Mostly business travel is concerned with the act of doing business itself, indifferent to the location, rather than the destination as the focus for business; and not only the focus, as I found, but *the driver* of the business. Ultimately, this research is centered around the redefining of the cultural experience of tourists in an urban destination. The findings in this research build on the works and visions of authors like Jackson (1989) and Wearing and Wearing (1996), who proclaim that social processes, and the making of reciprocative meaning in a destination, must take the lead in the evolution of destination research.

Research for this project has been split in to two camps: the pre, and post-arrival collection. Pre-

arrival refers to the research done before any first-hand, primary data collection ensued in the San Francisco Bay Area, so all of Chapter 1 and 2. Chapter 1 explains the methodological approach to this research. Firstly, the chapter identifies grounded theory as the principal method for the guiding of analysis and theory generation. A deeper understanding of my philosophical approach, and the use of constructivism follow. The chapter is concluded with ethnography's role in the research, and the validation of the autoethnographical writing style chosen for the paper. Specific qualitative methods, and data capture techniques will also be further explained throughout chapter 1, as well as the specific forms of analysis used and a sampling of codes extracted from the data.

Much of chapter 2 is a general overview of my perception of San Francisco as a creative space and how tourism products are being formed within those types of destinations; therefore, a theoretical groundwork for what constitutes creativity, as well as the characteristics of creative urban centers lays the groundwork for the paper. An overview of innovation and innovation in tourism follows, along with the interactions and networks associated with innovation. Chapter 2 also covers the theory behind urban tourism and cultural tourism, as well as a review of creative tourism, special interest tourism, serious leisure, and business tourism to conclude.

From chapter 3 on, the use of primary data mostly collected after arriving in San Francisco, and the analysis of said data is merged with the secondary data from both pre and post arrival periods. Chapter 3 through the conclusion represent, in its entirety, the analysis, argument, and basis for the theory of prototype tourism. The third chapter delves in to the tourism product of San Francisco, and the greater San Francisco Bay area, as well as the characteristics and culture of creativity and innovation in these spaces based on the codes extracted from the primary data (e.g., interviews, observations, etc.). Understanding better the role of the Silicon Valley brand, and how new processes are emerging because of it, is a considerable portion of chapter 3. Section 3.2 marks the beginning of the analysis and the fusion of codes, synthesis and literature. A review of the literature on prototyping, as well as a look in to urban self-identification wraps up chapter 3.

Chapter 4 briefly defines the theoretical code, 'prototype tourism' before discussing San Francisco's influence in the development of unique tourism products, specifically with the Burning Man Festival. The history of hacker culture, and the processes around hackathons and other similar developments that have emerged from the analysis follows. An overview of entrepreneurship, and social entrepreneurship lead in to a review and analysis of coworking spaces and soft landing spots. A considerable portion of chapter 4 discusses economic clusters, and their potential for tourism. The fourth chapter also delves in to design thinking, and the significance of face time for the future of business and social innovation, which are at the heart of the analysis for the entire paper.

The culmination of the analysis, and the formation of the discussion occurs throughout chapter 5, starting with the implications for, and relevance of prototype tourism inside and outside of academia, something that is vital to the grounded theory process. Chapter 5 is mostly comprised of a section on the democratization of innovation, followed by a section on urban prototyping,

specifically in Detroit – strong theoretical codes in the analysis. Chapter 5 leads in to the discussion of the findings and its link to the reviewed literature. The conclusion covers what is left for discovery around prototype tourism, as well as the shortcomings of the research.

In writing this paper, I kept two distinct audiences in mind: academics, professors and the individuals responsible for my grade (Chapters 1-6), and secondly, those who would be interested in better understanding what tourism can offer public policy, entrepreneurship and education (Chapters 3-6). For those who shared their knowledge with me, especially those familiar with the San Francisco Bay Area, a lot of the discussion in this paper will not be novel insight, but I am hoping that the culmination of ideas, codes and trends will create an impetus for action, and will provide a practical framework for the future of sustainable tourism and travel development.

## **CHAPTER 1 METHODOLOGY**

### **1.1 Grounded theory**

The Grounded Theory perspective is the most widely used qualitative interpretive framework in the social sciences today – Norman K. Denzin (1998, p. 330).

The approach for this study is based on Glaser & Strauss' 1967 work, *The Discovery of Grounded Theory*. Grounded theory lays out a process of comparative analysis and theory development. The key tenet of grounded theory is that social science research is conducted while the generation of theory is taking place; the two occur simultaneously (Glaser & Strauss, 1967). Charmaz (2006, p. 187-188) defines the grounded theory method as:

A method of conducting qualitative research that focuses on creating conceptual frameworks or theories through building inductive analysis from the data. The method favors analysis of description, fresh categories over preconceived ideas and extant theories, and systematically focused sequential data collection over large initial samples... Thus, the sharp distinction between data collection and analysis phases of traditional research is intentionally blurred in grounded theory studies.

The blurring of lines discussed by Charmaz above is based on the idea that from the very outset of the research, emerging data should be studied and analyzed (Glaser, 1978). A theory is developed at some point in the process, whether that is before or during the collection of data, and the incoming data is continuously utilized to elaborate and modify it (Strauss & Corbin, 1998). The pairing of data collection and theoretical analysis represents a search for verification of proposed theory throughout the entire life of the research, without defined timelines (Strauss & Corbin, 1998).

Huberman and Miles (1998) describe grounded theory as an iterative process, or one that is defined by a non-linear, back and forth, procedure. In this case, methods of deduction and induction are combined. A key to grounded theory, Huberman and Miles note (1998), is that the analysis will be indistinguishable, incoherent and lacking continuity until the researcher has become slightly familiar with the local setting. Part of the way in which the local community is understood, as well as the way in which the iteration process begins, is rooted in the comprehension of pre-existing theory (Glaser & Strauss, 1967; Huberman & Miles, 1998; Strauss & Corbin, 1998). From the discovery of the grounded theory method, Glaser and Strauss (1967, p. 175) feel strongly that ‘formal theory’ could be formulated purely based on the analysis of collected data, however, they also acknowledge that ‘it is more desirable, and usually necessary, to start the formal theory from a substantive one.’ Allan (2003), in fact, cites Glaser and Strauss to argue that it is delusional for researchers to deem the ‘literature search’ unnecessary, especially for the sake of being sensitive to the topic and the context. Glaser (1992, p. 15) calls this ‘fit,’ or sitting within a reality in the eyes of participants, practitioners and researchers. In this paper, I have attempted to ‘fit’ the theory developed from my own primary research (e.g., quotes, observations, etc.) within academic articles, books, periodicals, and other written forms. This is also conveyed in the writing style, where analysis is combined with the review of literature with the intention of making the analytic connections stronger.

Strauss and Corbin (1998, p. 177) provide an exciting oration to end the section on grounded theory:

We should not settle only for substantive theories, no matter how stimulating or useful they are – for furthering theory development, for understanding phenomena, for *Verstehen* of people and actions, or for their practical use in guiding behavior or policy. General theory alas has its place as a powerful tool for all those same purposes.... Grounded theory methodology insists that no matter how general – how broad in scope or abstract – the theory, it should be developed in that back-and-forth interplay with data that is so central to this methodology.

## 1.2 The paradigm and the design

Reality is shaped by knowledge. As Guba puts it, ‘knowledge is a human construction,’ and in this sense, an impediment (Guba, 1990). Knowledge is the foundation of religion, nationalism, extremism and any other source of war and conflict in society; therefore, it must be weighed heavily in research methodology. Ontologically, the constructivist paradigm has been considered in this research because of its understanding that the inquirer is limited and shaped by one’s conditioning. In this instance, there cannot be disconnect between epistemological and ontological investigation. The researcher’s knowledge, formed through conditioning, is also at the core of understanding. Therefore, interactions in San Francisco were not independent of the researchers learned understanding. For this reason a **constructivist approach** to grounded theory, laid out by Kathy

Charmaz (2006), was used in this research. Charmaz (2006, p. 130) explains that the original grounded theory method is coupled with the idea that data collection and the analysis of the data is a result of ‘shared experiences and relationships with participants and other sources of data.’

The constructivist grounded theory method ‘lies squarely in the interpretive tradition’ (Charmaz, 2006, p. 130). The basis of the understanding of this approach is that any creation by the researcher is part and parcel of the researcher and his or her actual interactions. Charmaz is interested in capturing views of individuals with an emphasis on values, beliefs, feelings, assumptions, and ideologies (Charmaz, 1990). Silverman (2011), in the constructivist approach, emphasizes, not only discovering what and why people construct meaning, but how the theories evolve in a specific socio-cultural context. Stressing communication and the way those communications are interpreted highlights, not only the context of the where the interactions take place as Silverman mentions, but also the environments that have created these actors.

One alternative to the constructivist approach, the ‘systematic design’ is mostly used in educational research and is highly prescribed with a concise coding procedure, predetermined categories, and largely defined by diagrams and conceptual maps; a process that would not have been appropriate for the dynamic topic that was covered in this research (Strauss & Corbin, 1998). Another grounded theory design is the ‘emerging design.’ Though the emerging design could have provided a platform for this research, it does not adequately encapsulate my philosophical approach toward the relationship between the researcher and the researched; an approach that I feel is the most sufficient avenue to create a viable theory.

In tourism specifically, constructivism has seen a growing wave of support for its uses in understanding social and cultural processes. One study done on qualitative research in four leading tourism journals (Riley & Love, 2000) found that positivism had absolutely been the primary method up until 1996. The authors concluded that this is mostly due to tourism’s emphasis on quantitative methods during that time. Hollinshead and Tribe (2006) argue that there is a massive shift occurring in sociological and cultural research directed toward the constructivist approach, especially in tourism and travel where multiple truths exist in destinations.

More recently, Pernecky (2012) outlines the use of constructionism, which he argues is just another label of constructivism (among others, see post-modernist, feminist, etc.), and that they are ontologically very similar. The use of constructivism he notes, however, is ideal for understanding ‘meaning-making activities’ of the research subjects. Tourism, Pernecky (2012, p. 1132) notes, ‘is constructionism in action,’ and thus is an ideal approach in discovering what has actually become tourism. Trying to understand where the innovation processes in San Francisco intersect with travelers and tourism, is the basis of this research, and underlines Pernecky’s conclusion about becoming ‘of tourism.’

As we started with Denzin's quote about the widespread use of grounded theory in social sciences, there has also been a burgeoning collection of use in the tourism literature (Gao, 2012; Jennings & Junek, 2007). Specifically, grounded theory has been utilized in the fields of creative tourism, sports and tourism, stakeholder analysis in a tourism destination, perceptions of tourism, and sustainable tourism (Hardy, 2005; Tan et al., 2013; Weed, 2005). Grounded theory offers tourism studies the potential to generate holistic theories, and thus improve the understanding of human behavior that is not readily quantifiable (Jennings & Junek, 2007).

### **1.3 Ethnography and biography**

Selwyn propagates an anthropological approach in the field of tourism; especially in his 1996 book *The Tourist Image: Myths and Myth Making in Tourism*, which emphasizes the use of ethnographic research to help define typologies and classifications in tourism. In his piece on anthropology and tourism, he concludes that anthropological studies in tourism have helped depict tourism as an experience of significant cultural 'symbols and values' (Selwyn, 1990). This paradigm, Selwyn (1990) argues, is likely relevant and applicable to every form of tourism research. Identifying symbols and values, or meaning as Pernecky (2012) defines it, is essentially at the heart of constructivist tourism research as well.

Specifically, the methodology for this research falls under an autoethnographical approach, which is 'the process by which the researcher chooses to make explicit use of [his or her] own positionality, involvements, and experiences as an integral part of ethnographic research' (Cloke et al., 1999, p. 333). This means using a form of research that pairs ethnography with an autobiographical introspection (Schwandt, 2001). Recently in tourism, Barbieri and her colleagues (2012) used this method in order to develop an ethnographic narrative on volunteer tourism in Rwanda. For this research, my strategy became to 'infiltrate' the 'innovation ecosystems' in San Francisco: The events, the conversations, and the processes, with the aim of inhabiting in order to communicate the story that is being played out in the city at the moment. As Grinenko-Baker (2001) articulates, at the heart of this approach is the understanding that the story of the research is inseparable from the story of the researcher (This is immediately apparent when considering that I was born and raised in San Francisco Bay Area). As will be experienced throughout this paper, the autoethnographic approach is meant to convey some level of emotion, feelings, a sense of literature, and multiple voices (Ellis & Bochner, 2000). There are portions of the paper, for example, that read like a personal essay or personal story (e.g., Chapter 4.2 Black Rock City, San Francisco, California, Chapter 4.7 Design, Chapter 4.8 Face time, and CHAPTER 5 IMPLICATIONS), where my 'positionality,' my 'introspection,' and my 'take' on the theory, and its potential are front and center. This, however, is still aligned with the core of the grounded theory methodology, for these portions have emerged from insight extracted during the primary data analysis, and show the relevance of the theory, relevance that Glaser (1992) sees as central to the methodology.

There seems to be a great deal of overlap in the language, approach and understanding of research between the grounded theory method and an ethnographic approach toward data collection. Denzin (1998, p. 329) defines grounded theory as a ‘naturalistic approach to ethnography and interpretation.’ Charmaz (2006), however, notes that the ethnographic practitioner when guided by the grounded theory approach must consider one key difference, and that is that his or her research will emphasize the studied processes and occurrences happening in the destination, rather than a description of the destination (Charmaz, 2006). This distinction is key for this research, for *I* am more concerned with the developments and processes around a new form of tourism within the context of the San Francisco Bay Area culture. ‘A grounded theory emphasis leads ethnographers to 1) compare data with data from the beginning of the research, not after all the data are collected, 2) to compare data with emerging categories, and 3) to demonstrate relations between concepts and categories. (Charmaz, 2006, p. 23).’

## **1.4 Methods**

It has been recommended that 6-24 months be spent in the destination carrying out the design of the anthropological research, but as Fetterman (1989) notes, languages and customs may already be familiar to the researcher, thus providing a head start in capturing the culture of the place. Having been born and raised in the San Francisco Bay Area (45 miles/72 kilometers south of San Francisco in the city of Santa Clara), I have a 25 year ‘head start,’ which may make up for the shortened observation time I am allotted (slightly less than 5 months). This may also provide a bit of a shortcoming when it comes to observing and analyzing text and narrative; for example, taking significant details for granted.

In an ethnographic approach, sampling sources (Goetz & LeCompte, 1984) comes from filtering out possible candidates based on the contribution they can provide the topic. Fetterman (1989) calls this ‘judgmental sampling,’ which is based on the researchers ability to use his or her understanding of the destination and the people to determine who is relevant for the study. Fetterman (1989, p. 43) explains that understanding the local context can be partially achieved through the assistance of a local, an insider, or a ‘go-between.’ For this research, I was lucky enough to be introduced to ‘an insider’ who was immediately helpful in guiding my research and providing context for the setting I was focused on. Desrochers (2001, p. 384) observes that innovation in a given destination is a result of complex interactions among ‘firms, educational institutions, and public authorities.’ Within grounded theory specifically, it is recommended that multiple perspectives be systematically sought for the collection of data (Strauss & Corbin, 1998). Therefore, I based my respondents, with the help of my ‘insider,’ on this understanding of what makes a setting for innovation. Among the respondents were academics, professionals and practitioners, entrepreneurs, students and public agents.

Much of the ethnographic approach is based around fluidity. A large portion of the collection of data, for example, may ultimately come from resources not detailed in the research design

(Fetterman, 1989). With that being said, however, fieldwork, and the design of fieldwork is key, and it should provide a framework for observation, question asking, and data collecting. Data collection under grounded theory is the same as any other qualitative method, where interviews, field observations, documents and videotapes, etc. guide the retrieval (Strauss & Corbin, 1998).

To build the best possible base for analysis, **semi-structured, in-depth interviews** provided the framework for much of the data collection for this research. Semi-structured interviews are comprised of predetermined questions that are modifiable throughout the course of the interview to best suit the flow of the conversation; rewording questions and inserting additional questions are key components to this format (Robson, 2002). For this reason, only four to five questions were prepared prior to each in-depth interview for this research, and thus allowed the conversation to convey the most powerful data. Jordan and Gibson (2004) argue that the semi-structured approach allows for a high level of rich, descriptive data that creates a solid basis for coding, and identifying trends amongst all the perspectives and experiences. The aim of this kind of questioning is to provide the impetus for respondents to expose their latent and overt points of view. The key, Silverman (2001, p. 13) states, is ‘to gather an authentic understanding of people’s experiences and it is believed that open-ended questions are the most effective route towards this end.’ As grounded theory suggests, every emergence of data should restructure each subsequent interview; therefore, for this research, the questioning evolved with the development of the theory (See questions in Appendix A)

Methodologically, **informal interviews**, as well, are a highly utilized means of capturing quality data, and thus were also employed for this research. Fetterman (1989) notes that informal interviews progress much like a genuine conversation, but with the specific purpose of uncovering codes and content grounded in the culture. Field notes were also utilized for the grounding of theory in this research, which meant describing, presenting dialogue and characterizing interactions in the research setting. As Emerson et al. (1995, p. 143) discuss, in grounded theory, fieldnotes, other data and analysis are constantly intertwined – in the observations, in how these observations are recorded, in how the notes are coded, and in the proposal of theory.

The entire ethnographic process is about observing and refining the aim of the study, which means that the research question is tentative to begin, and evolves with the study (Emerson, et al., 1995). In grounded theory, the researcher starts without preconceived ideas, thus using the data to analyze the processes in the destination, investigate the actualities in the real world, and analyze the data with no preconceived hypothesis (Glaser & Strauss, 1967). Understanding these tenants of the methodology used, a hypothesis was not formed for the research, but rather provisional questions meant to guide the research were laid out at the beginning of the research period, before primary data collection ensued. As the methodology explains, these questions could potentially become moot as first-hand data and analysis start to unfold the reality of the destination. The research question and sub-questions were:

*How are cities redefining special interest and business tourism?*

*How is San Francisco using tourism to export the characteristics and qualities that make it innovative – the culture? What is the relationship between business travel, work and leisure in these types of destinations? What is San Francisco's approach to this form of tourism – or all key stakeholders for that matter? Is this a new type of tourism product? If so, what are the characteristics?*

Thirteen in-depth, semi structured interviews were conducted to collect data for this research, three of which were done via telephone, and the rest face-to-face. Eleven informal interviews were also recorded face-to-face during the five-month period, along with several others done without the use of a recording device (Essentially serving as field-notes and observations). All of the recorded interviews were transcribed, and then coded for the development of analysis.

## **1.5 Analysis**

As noted above, the synchronization of data collection and analysis is a fundamental to the grounded theory method (Strauss & Corbin, 1998). Furthermore, the analysis in grounded theory is a combination of inductive and deductive methods (Charmaz, 2006). Strauss and Corbin (1998) discuss theoretical sampling, where each succeeding incidence of data collection (e.g., each interview, observation or field note) is informed and shaped by analysis of collected data that came before it, so most interviews, field notes and observations for this research were coded and analyzed before moving on the next (Bakir & Baxter, 2011). Also for this research, theoretical sampling was used for the formation of new concepts until data 'saturation' was reached, where no more new concepts could be generated through the simultaneous act of data collection and analysis (Charmaz, 2006; Strauss & Corbin, 1998).

Line-by-line coding is part of the foundation of grounded theory laid out by Glaser (1978), but since then many methods and approaches toward coding and siphoning themes from the data have emerged (Charmaz, 2006). With this in mind everything from line-by-line coding to sentence coding to paragraph coding were all used during data analysis for this research (Daengbuppa et al., 2006). All coding was done without the assistance of any coding specific software, and was recorded on a separate word processing software document than for the interview transcripts. Much of the analysis and discussion of this paper also revolves around substantiating data; as Glaser (1992) notes, the development of theory should be accompanied by corroborating literature that sets precedent and a pattern – again, it should 'fit.'

Analysis began with initial coding, which was the first process of extracting insights from the data (Charmaz, 2006). Initial coding was followed with focused coding, which is more selective and conceptual than the initial coding process (Glaser, 1978). The focused coding insinuates that a decision has been made by the researcher about the most significant codes from the initial coding

based on what makes the most ‘analytic sense’ (Charmaz, 2006, p. 57). Ultimately theoretical coding resulted in the major themes and categories that characterize this research. Samples of initial, focused and theoretical codes are presented in Table 1. Table 1 represents a summary of sorts, or an abridged version of the initial coding phase (the initial coding phase yielded several pages of analysis), whereas the focused and theoretical codes are fully represented. As we will see throughout the paper, some of the initial and focused codes are not mutually exclusive to their connection with the theoretical code; for example, ‘team mentality’ and ‘collaboration’ are very much at the heart of prototyping, however, they are also highly dependent upon trust and communication, which is also at the core of relationships. Collaboration is also strongly associated with design, and design thinking for that matter, etc.

Table 1. Initial, Focused and Theoretical Codes

Initial	Focused	Theoretical Codes
- Tinkering - No talk, just action - Hackathon	- Hacker/Hacking	- Prototyping (Prototype tourism)
- Iteration - Individualization/ Customization - Customer needs/Human- centered - Making meaning	- Design (Relationships)	
- Smart city development - Team mentality	-Collaboration (Relationships)	
- Mindful thinking - Metacognition	- Awareness	
- Hands on innovation - Testing / Piloting - Urban prototyping	- Experimentation	
- Intensity and energy for business - San Francisco is hard working	- Entrepreneurship	
- Risk taking - Tolerance	- Acceptance (Democratization)	
- History of innovation - The first MAC (Sets of skills)	- Intersection/Medici effect	
- Startups - Networking - <i>Startup Chile</i>	- Incubation/Coworking	
-Seeing the space -People are in to meeting people	- Face-time (Relationships)	
- Contextual/cultural education - Best practice	- Exportable/Recreating Silicon Valley	

(continued)

Table 1. Initial, Focused and Theoretical Codes

- What is right? - What are the right conditions?	- Questioning/Challenging assumptions	
- CleantechSF and Parklets - Hacker/Hacking	- Regional specialization and Clusters	
- 24/48/72 hours - Intensity	- Time	
- Harmony - Environment of innovation	- Ecosystem	- Relationships
- Evolving the definition of organizations - Cross-departmental	- Hybrid organizations (Social innovation and Sustainability)	
- Reputation of work - Friendliness	-Social currency (Accessibility)	
- Silicon Valley - MOOCs	- Technology	-Democratization
- Working on <i>problems</i> - Blue sky thinking - Systems thinking (Design)	- Social innovation/Social entrepreneurship and Sustainability (Relationships)	
- Meritocracy - Incidence of homophily - Funding elite schools - Open sourced tools - Approachable - Knowledge exchange - Proximity	- Accessible/Accessibility	
- New perspectives - Unique opinions - Global network	- Diversity	
- Business education redone - New knowledge dissemination	- Education	

The codes, as will be seen throughout the paper (and can also be seen in the table of contents), were partially used to structure the content; for example, many of the initial, focused and theoretical codes constitute their own sections in the paper. I organized the paper as is because I felt it offered the strongest description of the categories and codes, and ultimately how they connect. Not to mention, many of the codes themselves need clarifying (e.g., hackathons)

## CHAPTER 2 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

### 2.1 The word ‘creative’

A discussion of the word creative and creativity is beneficial for this paper, for it is the groundwork of how we will understand the word innovation, and ultimately, the promise certain types of thought

processes can have for the transformation of our society. In de Bono's (1970) seminal work on creative thinking, *Lateral Thinking*, he stresses throughout that creativity is often a result of questioning one's beliefs and assumptions. So for the sake of being creative, and understanding creativity, I want to question Richard Florida (2005), for example, when he calls the politician Michael Bloomberg 'creative.' This is not to question Florida specifically, but rather to question the meaning of what it means to be creative, and to heed a caution when it comes to labeling and titling. In his 2010 piece, which attempts to define and understand creativity, Klausen is sincere when he says 'people seldom know exactly what they talk about.' Aside from discussing the general lack of metacognitive skills present in today's society, or the awareness of one's own thought and thought processes (See Jiddu Krishnamurti), Klausen is focused on the problematic nature of defining something as complex and expansive as the word 'creative.' Stein (1953, p. 311), for example, says that something creative is 'a novel work that is accepted as tenable or useful or satisfying by a group at some point in time.' This is something that will appear time and time again throughout the research, and highlights something that is very contextual and of a specific time and place.

de Bono (1970) associates creativity with insight and humor. At the time (1970) he saw creativity as being a seminal actor in change and progress. In *Lateral Thinking* (1970, p. 11), he also expresses that creativity is a sort of 'gift for expression.' Creativity, he says, is also about restructuring and provoking new patterns, which comes from, not being right all along or judging, but rather generating 'change,' and being right in the end. Torrance (1988) says that creativity is something that is, at its essence, undefined. He explains that the word is made up of everything and nothing at the same time, thus capturing the challenge associated with its definition. He categorizes creativity through several concepts: newness, anti conformity, starting, a process, testing, mental, approach to thought. Specifically, he defines it as 'the process of sensing difficulties, problems, gaps in information, missing elements, something askew; making guesses and formulating hypotheses about these deficiencies; evaluating and testing these hypotheses; possibly revising and retesting them; and finally communicating the results (Torrance, 1988, p. 47). There is an allusion in this definition to the unspoken of the day-to-day, to the latent needs of those in a given space, and the persistence of testing and retesting assumptions. At last Torrance (1988) uses the word 'communication' to convey, not only a form of statement, but also an expression of form. The contradictory nature of the word creativity, the use, and even the unwarranted use of the word discussed here, should only provide an impetus for further discussion in academic studies going forward (Klausen, 2010). To help clarify for the sake of this study, and to put the word 'creative' in a more specific setting, the creative city and its characteristics will be discussed further.

## **2.2 The creative city**

Jonah Lehrer's book on creativity, *Imagine* (2012), perhaps based on a kind of pseudoscience, offers a unique, and relevant perspective on the creative nature of cities. The book argues that cities, in and of themselves are creative spaces; the interactions, sights, smells, sounds, and the

tangible and intangible facets create environments that continuously provide inspiration and creativity. If all cities are creative, is there something to say about a ‘creative’ city, or is it something overstated? For example, Bettencourt (2007a) and his colleagues make the argument that as cities grow, every process within the city accelerates; they call this ‘superlinear scaling.’ Superlinear scaling says that as a city expands, so does production, innovation, output, patents, per capita income, and many other socio-economic variables. As a general rule then, people living in cities of one million should generate, on average, 15 percent more startups than people living in a city of five hundred thousand, regardless of the city (Bettencourt, 2007a). Though access to a greater population has shown to increase the volume of inventors and inventions, as well as research and development institutions, Bettencourt et al. (2007b) acknowledge that they do not find any causation patterns among these elements, nor can they explain the dynamics of the relationships occurring. The natural growth of the city, offers an economies of scale argument as well, so creative industries, like any other, cluster in a defined urban space – Evans (2006) says this is the manifestation of creative neighborhoods. This is something that becomes very clear simply from strolling the streets of cities like Copenhagen, Tokyo or Berkeley, California. Hall (1998) says that this is also due to urban spaces throughout history acting as a cultural center for ‘creatives’ to incubate and grow within.

In the beginning of the 21<sup>st</sup> century the literature began to develop, which acknowledged and identified the presence of a creative city (Landry, 2000; Landry & Bianchini, 1995). Much of the conversation on the topic has been the supposed, intimate link between creativity and economic development (Florida, 2002a; Florida, 2005; Landry, 2000; Landry & Bianchini, 1995). I use the word ‘supposed,’ because of the use of the word intimate, not to mention the opposition to the credibility of the title ‘creative,’ which, again, distinguishes any city from a creative city (Bettencourt et al., 2007a, 2007b). Landry (2000), for example, is concerned with cities’ ability to create conditions that facilitate creativity. This is crucial, Landry (2000) argues, because creative individuals are the single most important resource in a modern city. The kind of ‘figure head’ on the topic of creative cities in academia and popular discourse has been Richard Florida. Florida, in *Cities and the Creative Class* (2005) and *The Rise of the Creative Class: And how it is Transforming Work, Leisure, and Everyday Life* (2002a), discusses what defines creative people, creative cities and many of the characteristics associated with these urban spaces. Cities that attract the ‘creative class,’ Florida (2002a, 2005) argues, have become places where people with creative skills, or human capital, are choosing to live based on diversity, tolerance, amenities (e.g., leisure possibilities), opportunities, and available types of work (e.g., challenging, flexible, stable, development possibilities, well compensated).

Florida’s classification of a ‘creative class’ has been labeled slightly arbitrary and artificial (Jacobs, 2005; Peck, 2005). Perhaps the biggest issue with Florida’s work, especially for *this* paper, is his approach toward academic rigor. Peck (2005, p. 741) cites Frank (2000) and Maliszewski (2004) when he says ‘the irreverent, informal, sometimes preachy, but business-friendly style is in many ways a familiar one, echoing as it does the lifestyle guides, entrepreneurial manuals, and pop

sociologies of the new-economy era.’ There have also been concerns raised about the use of the ‘creative class,’ and the ‘creative city’ to justify gentrification, exclusion, and a ‘cynical rhetorical play for property-led and amenity-oriented urban development, as well as a spectacle-driven governance of arts and culture and place production and promotion (Jakob, 2010, p. 193; Peck, 2005).’ These are all criticisms and issues that have implications for the direction of policy, which we will see later in the paper, might be vindicated.

The key for this paper in having work like Florida’s *Rise* (2002a) help guide the research is that certain types of spaces are defined by certain characteristics, and that these characteristics are present in most, if not **all** urban settings. The story of amenities, education, knowledge spillover, diversity, interactions and human capital will be discussed briefly in order to provide a backdrop for innovation and the case of San Francisco.

### **2.2.1 Amenities**

Observing destinations via the amenities they offer has burgeoned in to a considerable part of the academic literature on urban economics (Brueckner et al., 1999; Florida, 2002a; Florida 2002b; Florida, 2005, Glaeser et al., 2001; Law, 1996). Law (1996) develops three classifications for major cities: Capital cities, industrial cities and high-amenity cities. Brueckner et al. (1999) divide urban amenities in to three classes: Natural amenities (e.g., mountains, beaches), historical amenities (e.g., classical buildings, old war relics) and modern amenities (e.g., cafes, museums). And Glaeser et al. (2001, p. 28) list four ‘particularly critical urban amenities:’ a deep pool of services and consumer goods, a unique visual and physical setting, a ‘good’ public goods offering, and agility via transportation and employment opportunities. Knapp and Graves (1989) discuss the role of amenities in the migration of populations, and ultimately its impact on regional development. Much has been said about the economic relationship among amenities in a destination, the distribution of capital in said destination and the effect this has on development; for example, it has been shown that people with higher incomes tend to live in central urban areas with high levels of natural and historical amenities (Brueckner et al., 1999). Modern amenities, Brueckner et al. (1999) explain, are not part of their conclusion, because things like restaurants and swimming pools do not necessarily explain the movement of the rich to certain locations; these ‘endogenous amenities’ are more a *result* of the rich relocating in a given destination. Other studies have focused, not on the rich necessarily, but rather on the ‘talented.’ In one case, Glaeser et al. (2001) argue that a city’s entertainment and lifestyle considerations are important for its capacity to attract human capital, or talent (people and businesses). In this sense, the city that offers amenities that attract tourists, are also the things attracting people to live there. Florida (2002a, 2002b, 2005) puts a great deal of emphasis on the occurrence of amenities in a city; specifically cultural amenities, and their power in attracting highly ‘creative’ individuals.

The growing opinion that local residents are more and more acting like tourists in their own cities, while tourists have come to mirror residents, underlines the symbiotic relationship between tourism

potential and the presence of amenities and entertainment in a destination (Deben et al., 2000; Lloyd & Clark, 2001; Maitland, 2007). Law (1996) notes that high-amenity cities possess important business functions, thus attracting business and leisure tourists from a diverse market. Marcouiller et al. (2004) draw on existing literature and on their own data to argue that tourism is very much at the center of regional development's link to natural and built amenities, as well as the distribution of income.

Amenities, education, and the flow of skilled, educated individuals to an urban center also have shown to be closely linked (Costa & Kahn, 2000). It has been argued that the reduction in 'disamenities' (e.g., crime, and pollution) and the amplification of cultural activities in the American urban setting since the 1970s have prompted college graduates to lead a more metropolitan lifestyle (Costa & Kahn, 2000; Glaeser, 1998; Kahn, 1997). Importantly, Costa and Kahn (2000) find that universities specifically, acting as a type of business or organization, have the most difficult task attracting skilled individuals to small, low amenity city centers. As we will see, however, the university and education centers in general, play a unique role in the definition of an innovative city.

### **2.2.2 Education**

There have been several models proposed to describe the evolving collaborative relationship between educational institutions, innovation and industry, and government in a knowledge-based economy (Desrochers, 2001; Leydesdorff & Etzkowitz, 1998). Beyond teaching and research, the university plays several roles in the innovative systems that are occurring in a destination. Gunasekara (2006) identifies two types of roles: 'developmental,' which is more focused on traditional roles of the university, while facilitating regional innovation and government processes, and 'generative,' which is a more aggressive approach toward the dictation of innovation and government processes. According to Florida (2002a, 2005) the university acts as a magnet for cities, which attracts talent, which then attracts firms, and thus more talent. Within the greater urban environment, educational institutions act as single element in the attraction of talent, but are not sufficient in and of themselves to explain why talent chooses one destination over another (e.g., Stanford did not make the Silicon Valley) (Gunasekara, 2006). Within local settings, the university also plays a vital role in the exchange of knowledge and information. Local ventures, for example, tend to collaborate with universities and research institutions in the region, and thus often cite academic projects (Mansfield, 1995). In trying to understand the information flows between university representatives, and those of the business community, Feldman and Audretsch (1999) find that in certain fields that are dependent upon research and development, young researchers establish ventures around the same physical location that the university they work for is located. This is an anecdote, on some level, for the intimacy between the research and knowledge of the university, and its relationship to the business community within a localized context.

### 2.2.3 Knowledge spillover

Throughout the literature one of the defining characteristics of creative cities, and cities in general is knowledge spillover. The phenomenon is also referred to as ‘localized knowledge spillovers,’ ‘knowledge externalities bounded in space,’ ‘geographically localized dynamic knowledge externalities’ or ‘Jacobs’ externalities,’ among others (Breschi & Lissoni, 2001; Desrosiers, 2001). In *The Death and Life of Great American Cities*, Jane Jacobs (1961) generally describes knowledge spillover as the dense occurrence of regular happenings, where strangers are constantly in contact, learning, discussing, collaborating, and talking for a number of reasons. In light of Glaeser (1996), Bettencourt et al. (2007b, p. 108) highlight that ‘the idea that growth hinges on the flow and exchange of ideas leads naturally to the recognition of the social and economic role of urban centers in furthering intellectual cross-fertilization.’

The processes around innovation in a network require education among the actors (Roome, 2001). The processes of education are accelerated by the free flow of ideas, and by the sharing of concepts; this consequently leads to more innovative activities (Camagni, 1991; Roberts & Bradley, 1991; Roome, 2001). Localized competition is the concept used by Feldman and Audretsch (1999) to describe how innovation flourishes in a given space. The authors argue that higher rates of knowledge externalities within a destination or industry are a precursor to innovative activities. Localized competition is essentially the democratization, or de-monopolization of information flows. Lawson and Lorenz (1999) explain this as a diversification of knowledge, where learning and innovation are highly dependent upon the interactions and collaborations of a diverse group of people - an argument for diverse collaboration. ‘New’ economic growth theory posits that knowledge spillovers among individuals and firms are the necessary underpinnings for growth (Lucas, 1988; Romer, 1986; Romer, 1990).

Interpersonal networks, Singh (2005a) argues, are the key to understanding the flows of knowledge, and that the relationships and structure of networks dictate the rate and flow of information diffusion. These networks have been shown in the literature to be very much confined geographically (Jaffe et al., 1993). Interestingly, Singh (2005a, p. 21) shows ‘that innovating teams that do achieve cross-regional knowledge integration come up with innovations of significantly greater value than those that do not.’ This finding has incredible implications for those collaborating across regional frontiers. The occurrence of travel for innovation could be *the* solution to resolve geographic constraints to knowledge exchange, especially if interpersonal networks define this knowledge spillover. The case for face-to-face collaboration will be taken up further in the section ‘Face time’ (Chapter 4.8). Importantly for distance and cross-regional knowledge exchange, Breschi and Lissoni (2001) cite Lyons (1995) and Echeverri-Carroll and Brennan (1999) in their argument that ‘co-localization’ is not absolutely necessary for firms to experience positive effects of knowledge externalities. These arguments further set the stage for travel and its potential role in facilitating non-localized cluster developments.

Hansen (2000) argues that regions, urban destinations, or networks are not adequate in and of themselves to innovate, but rather a culture of individuals who understand the importance of knowledge and information in the process of successful innovation is key. The flow of information, and the ability to capitalize on these flows, then, is a learned process that is developed within a specific environment and context (Breschi and Lissoni, 2001; Desrosiers, 2001). An understanding of localized knowledge spillovers in this light could have serious potential in dictating the way policy is formed around regional commercial advantages.

#### **2.2.4 Diversity**

Desrosiers (2001) suggests that there is an association between diversity, creativity and regional innovation. Diversity, and the ability of a destination to be open-minded about the policies, culture and environment that it perpetuates toward people who are deemed ‘different’ is key in attracting talent (Florida, 2002a; Florida, 2005). The theory (Florida’s) says that ethnic, social and cultural diversity ultimately equal higher levels of talent, for talented individuals have options based on their skills, and usually they want to be in destinations where the local populations accept diversity. Being that gays disproportionately locate in cities that have less hostile attitudes toward gays – more accepting cultures – the concentration of homosexual populations is a good place to start to observe tolerance (Black et al., 1998). Florida (2005) finds a relatively high correlation between the presence of homosexuals in a city and the relative success of high tech industries, even after removing the outlier San Francisco from the sample. Moreover, Florida goes on to argue that the ‘gay index’ he uses also highly correlates with cities that are high in foreign-born residents. There is, of course, a chicken and egg issue here when considering high-tech industries, but it does however emphasize the connection between homosexuals, immigrants, and what defines tolerant destinations.

As Jacobs (1961) argues, the presence of foreign-born immigrants that Florida alludes to, is one of the indicators of innovation and destination growth. Saxenian (1999), on her work on immigrant labor in the Silicon Valley, finds that immigrants are responsible for over 30% of the scientific and engineering workforce in the Valley, and that one quarter of all high-tech firms in the area are run by Indian or Chinese CEOs. She concludes that these highly skilled immigrant entrepreneurs are part of the impetus for job creation in the region, as well as economic growth and ‘dynamism.’ Zachary (2000) finds that a country’s openness to immigration is vital for the occurrence of innovation, as well as for the growth of the economy; for example, the United States owes much of its success to the heterogeneity of its population, and its relative receptiveness to immigration in the past. Studies on language, for example, provide great insight in to the power of diversity of thought and the creative process. Research on bilingualism has indicated that bilingual children tend to be more creative than monolingual children (Kim & Lee, 2010; Lasagabaster, 2000). Furthermore, differing languages of bilingual individuals and accompanying cultural contexts may affect creative individuals’ conception of problems (Lubart, 1999).

The occurrence of a diverse, dynamic population has also been understood by the incidence of diverse skill sets. In *The Medici Effect* (2004), Johansson tells the story of the Medici family of Florence, and how their ability to congregate a diverse set of skills and talents in one physical place became the driving force for the Italian renaissance. The metaphor of the Medici family sets the stage for Johansson's argument, which is that innovation flourishes at the intersection of two or more skill sets. Jacobs (1969) describes this as new ideas being formed by combining old ideas. This theory is especially relevant in a city, Jacobs notes, where established ideas come together for creation of new thoughts, approaches, concepts and perspectives. The thought behind the **Medici effect** is that individuals with different expertise have unique cognitive 'schemata,' so when multiple skill sets collaborate, in whatever fashion, fresh perspectives are constantly challenging traditional approaches (Feldman, 1994; Mednick, 1962; Twiss, 1980). What Woollett and Maguire (2011) find is that training certain skill sets, in fact, causes structural and physical alterations of the brain; the abnormally large hippocampus area (responsible for memory and spatial awareness) of London cabbies lays the basis for their results. One of the ways to break down these barriers is to introduce new perspectives, fresh approaches, and people from different fields. Simonton's (1999) data on young physicists finds that they tend to make their most important discoveries before the age of 30, while they are not fully confined creatively with the literature and knowledge of the field. Even on a more macro level, Quigley (1998) argues that regional economies tend to gain from the location of a diverse set of companies.

Diversity in spatial interactions has also been shown to be a driver of creativity, even if the distance is purely psychological in nature. As Lehrer (2012, p. 126) notes about being in a space that is unfamiliar, 'when you escape from the place you spend most of your time, the mind is suddenly made aware of all those errant ideas previously oppressed.' In a study done by Jia et al. (2009), the researchers examined psychological spatial distance on creative cognition. By simply conditioning respondents with the idea of a unique foreign destination, challenges resulted in more 'creative' solutions than tasks completed by students without prior conditioning. In a study on actual spatial diversity Maddux and Galinsky (2009) complete five studies examining the effect of living abroad on creative processes. They found that the incidence of living abroad paralleled the levels of several creative variables of master's and bachelor's students from the United States and Europe. The authors conclude that creating multiple meanings and a broader spectrum of interpretations based on a developed cultural awareness, open-mindedness and sensitivity from physical time abroad results in more imaginative solutions (Maddux & Galinsky, 2009). Travel and tourism in this light, is not merely a means by which to access diversity and collaboration, but rather travel and tourism should be seen as essential for the maximization of creativity and innovation in the collaborative process.

### **2.2.5 Interactions**

Much of the discussion around theories like Johansson's (2004) Medici effect, and the strength of diverse skills and diverse populations, hinges on the interactions that take place within those

populations. As Desrochers (2001, p. 384) comments on collective learning, ‘innovation does not primarily derive from individual actions of combination, adaptation, and extension, but results from embedded processes that are collectively organized by industries and networks of relations between firms, educational institutions, and public authorities.’ Institutionalized processes (cultural), networks, relationships and interactions are all essential aspects of the innovation setting.

Approaching the creative space as a city is a helpful way to organize data and generalize for academia, but others have tackled the notion of innovation and creativity through the medium of relationships (Scott, 2010; Uzzi & Spiro, 2005). Scott (2010) argues that creative spaces are composed of four key elements, a connection of specialized and complementary industries, a social and professional network of workers in a given space, the physical space of an urban destination, and lastly, the institutions that govern and cooperate (‘institutions of collective action’) in said space. Collectively, this is described as a ‘a relational network or field linking people engaged in a social process.’ Lawson and Lorenz (1999) note that learning and innovating is dependent upon the interaction of diverse knowledge, and how that interaction takes place is vital. There has been a considerable amount of literature, for example, on the idea of loose-networks as a driver of innovation (Christakis & Fowler, 2009; de Sola Pool & Kochen, 1978; Granovetter, 1973, 1979; Meyer, 1998; Uzzi, 1996; Uzzi & Spiro, 2005). In their book on social networks, Christakis and Fowler (2009, p. 156) claim that human social networks ‘tend to be clustered in tightly knit groups,’ (friends) and that these individuals tend to have similar, if not the same, knowledge, information and experiences as one another, and thus are not ideal for reaching people, and influencing others outside of this group. Granovetter (1973) is one of the first to discuss the importance of weak ties in a study of recently employed workers in Boston, where most of those studied acquired their job by relying on the kindness of people they did not know well. The notion of weak ties highlights the significance of relationship characteristics within a contextual social network

### **2.2.6 Human capital**

The concept of ‘superlinear scaling,’ as discussed earlier via Bettencourt et al. (2007b), argues that the physical and population growth of a destination mirrors all other forms of growth in that destination. This theory, despite its applicability to the processes around agglomeration and urbanization, leaves much to be yearned for in the discussion around localized innovation processes (something the authors acknowledge). Romer (1990: 31), for example, claims that ‘what is important for growth is integration, not into an economy with a large number of people, but rather into one with a large amount of human capital.’ Human capital is measured in many forms; including, years of schooling, the percentage of the population with high school degrees, the percentage of college educated, or a measure of education based on the occupational mix (Glaeser, 2000). One of Florida’s (2002a, 2005) three keys to the success of an urban economy is ‘talent,’ which mirrors other arguments that winning the ‘war’ of talent attraction and retention is the basis for the success of cities (Chambers et al., 1998). Lucas (1993) uses the case of South Korea in his analysis of talent on a global level to argue that the difference in living standards among nations is

the difference in human capital; this, Lucas finds is grounded in how schools, research organizations, and the production of goods develop. Hoyman & Faricy (2009) find that human capital is a strong and consistent predictor of job growth, average wage, and average wage change. The clustering of skilled people in metropolitan areas is driven by the tendency of entrepreneurs to innovate in ways that employ other skilled people (Berry & Glaeser, 2005). These findings supplement the findings of Tornatzky et al. (1998, 2001) that the most talented and skilled college graduates have the most options, and thus are the most mobile.

The literature to this point alludes to the presence of high skilled individuals as a key indicator of success; however, there is growing discourse on the urgency of a city to properly utilize this talent. Weitzman (1998, p. 359) shows that ‘the ultimate limits to growth may be not so much in our abilities to generate new ideas, as in our abilities to process to fruition an ever increasing abundance of potentially fruitful ideas.’ Some emphasize that the ability to incubate and nurture creativity and attract the people to do this is the key to regional development (Anderson, 1985; Desroshers, 2001); thus indicating that the facilitation of creativity and innovation attracts talent, which attracts more innovation, and in turn more talent (Berry & Glaeser, 2005). Creative economies, or centers of diversity, innovation, and economic growth, are able to ‘quickly mobilize the talent, resources, and capabilities required to turn innovations into new business ideas and commercial products (Cushing, 2001; Florida, 2005). These authors address a very fundamental issue that creative settings face in the commoditization of knowledge, ideas and talent; which is that a creative city is defined by the ability to socially and economically capitalize on the characteristics that make up the space – the process of innovation.

### **2.3 Innovation and innovation in tourism (A distinction made)**

Kline and Rosenberg (1986) depict the processes around ideas, inventions and commercial innovation as a complex set of non-linear development steps. They add to Schumpeter’s (1939) notion that the stages leading from creative thought to idea to invention are as complex as the steps leading from invention to innovation. Each of these stages require a broad ecosystem consisting of technical knowledge, market forces, constraints, access to production facilities, and of course destination specific characteristics, which we will discuss further (Kline & Rosenberg, 1986). Innovation, in its expansive form, is the ability to capitalize or make impact on ideas and creativity, where ‘innovation derives from these insights and perceptions but is more specifically focused on their implementation in various domains of practical application’ (Scott, 2010, p. 119). Within the literature and narrative of innovation, the word is usually understood in two forms: radical and incremental. Radical innovations are something that ‘may be based on a totally new technological principle allowing a significant leap in performance; they satisfy new needs, create new markets, redefine whole industries and change existing value chains’ (Salomo et al., 2004, p. 2). Incremental innovation, on the other hand, represents subtler revisions of existing products and services (Schumpeter, 1939).

What has often been overlooked in the understanding of innovation, perhaps because of the heavy connotation of business associated with the word, is the quintessential incidence of play. If creativity, as we have understood it, is the source of commercial breakthroughs, then play is the vehicle for creativity (Gurteen, 1998). Dodgson et al. (2005, p. 242) define play as ‘activities associated with the selection of new ideas to ensure they are practical, economical, targeted, and marketable, including verifying, simulating, extrapolating, interpolating, preparing, testing, validating, transforming, integrating, exploring, and prioritizing.’ Anderson (1994) distinguishes between work and play, while arguing that play is fundamental for innovation. Gurteen (1998) discusses how play is about enjoying oneself in a collaborative setting, where exploration and pushing boundaries is the most effective process for learning and creating. Styhre (2008) observes that much of the literature on the idea of ‘play’ in innovation does not fit within a specific theoretical framework, but is rather used as a ‘metaphor’ to better understand how innovation in particular is dissimilar to work.

In a review of the literature on the topic, Fagerberg (2004) highlights the significance of the idea by arguing that economic health and sustainability is fueled by innovation. Also, the occurrence of innovation is a distinct indicator of success within a given industry, region or country. Moreover, the ability of a destination to nurture clusters accelerates the processes around innovation (Fagerberg, 2004). Kline and Rosenberg (1986) make a distinction between commercial innovation and military innovation, because of their clear differentiating characteristics. In this sense, it is not only contextual to a specific time and space, but also to an industry. Within tourism, Hjalager (1994) notes that innovation also occurs radically and incrementally within 5 concise categories: product innovations, process innovations, management innovations, logistics innovations and institutional innovations. Stamboulis and Skayannis (2003) see the role of innovation in tourism partly as a transition to an era of ‘post tourism.’ This means adapting to evolving tourist tastes, creating unique modes of supply, and discovering new product providers (Meethan, 1998). Transcending ‘old tourism’ means exploiting cite-specific knowledge and culture, and through the use of new information and communication technology, designing experience-based tourism products (Stamboulis & Skayannis, 2003).

Characteristics of the tourism industry, however, make innovation relatively less accessible compared to many other industries. Hjalager (2002) notes several structural and behavioral barriers for innovation in tourism; specifically, the culture of mistrust among tourism enterprises breeds a lack of collaboration, knowledge sharing, and collective value creation – the exact opposite of Silicon Valley, the author notes. The large presence in tourism of small and medium enterprises (SMEs) also leads to free riding on the research and development of larger tourism companies, and thus further roots mistrust (Hjalager, 2002). Camisón and Monfort-Mir (2012) question whether the cross sector nature of tourism creates an innate obstacle for innovation, where the lack of cohesion among innovation indicators within the industry has reduced explicit incentive for companies to push the boundaries and shake up the industry.

Earlier, I discussed how the use of the word ‘creativity’ has been stretched, and perhaps diluted due to its overuse; the same can be said for the word ‘innovation.’ Throughout the data collection, it was regarded as a word that positioned within the realm of other words like sustainability, web 2.0, and social media – the catchphrase du jour, thus highlighting people’s general misunderstanding of its context. As one respondent claimed, the word has lost some of its meaning; perhaps, not because it is misunderstood, but the word represents such a dynamic concept that it is constantly being redefined within a specific context. Context, as with the word creativity (Stein, 1953), is critical in defining what exactly innovation means. In order to emphasize the significance of context when discussing a topic like innovation, I am citing an article by Robson et al. (2009), in which the authors observe the state of entrepreneurship and innovation in Ghana. Not only does this highlight the distinction between the ‘developed’ and ‘developing’ world, but it also highlights some of the universalities of a concept like innovation; for example, the significance of class and access to opportunity (this emerge again in the context of Silicon Valley and San Francisco). In the case of Ghana, the authors find that pre and post colonialist legacies, government policies, lack of human and financial capital, access to education and societal norms (e.g., emphasis on family networks, associating age with wisdom, importance of social capital, etc.), among others, are defining innovation and its development in the country. Because of the importance of location, a theoretical understanding of the urban setting in tourism will help create a basis for comprehending the environment of travel in San Francisco.

## **2.4 Urban tourism**

Much of the urban tourism literature is defined as slightly contradictory, which is represented by the reluctance of researchers to differentiate between tourism in a city and the processes a city already performs; Ashworth and Page (2011) refer to this as a set of paradoxes (Ashworth, 1992; Page, 1995). Some even question whether there is in fact a fundamental difference between urban tourism, and tourism in other types of geophysical destinations (e.g., mountain, rural, etc.) (Wall & Mathieson, 2005). The argument set forth by Ashworth and Page (2011), however, highlights the significance of distinguishing the tourism and leisure processes that occur in an urban destination from other locals. The authors go on to inventory the urban tourism literature over the last 20 years, from Ashworth’s (1992) work on the lack of said literature, to Zukin’s (1996) book on the culture of cities. Shaw and Williams (1994) deduce that the literature on urban tourism, though growing, is slightly spontaneous and unstructured. In an ‘integrative framework,’ to perhaps tidy up the ad hoc nature of the topic, Pearce (2001) lists demand, supply, development, marketing, planning, organization, operations and impact assessment as the themes that permeate throughout urban tourism research. These themes, Pearce (2001) notes, are differentiated on a site level, district level, city level, and regional, national, and international level. These themes have also been expanded on; for example, there has been a considerable amount of work done on quality, satisfaction, and tourists’ perceptions (Haywood & Muller, 1998; Murphy, 1997; Page, 1995)

Importantly for this research, there seems to be an intimate relationship between the literature on urban tourism, and the literature on cultural tourism (Selby, 2004). Cities like London even acknowledge that tourism is contributing to the realization of culture in the city (Hughes, 2000); for example, it is argued that certain cultural venues could not remain financially viable if it were not for international tourists. Ringer (1998) argues that understanding the context of tourism is significant in defining what ‘cultural landscape’ means. For Sauer (1925, p. 46), the urban landscape was the ‘result’ of culture and the physical space. The urban cultural and tourism landscape has been defined through geography (Sauer, 1925), objects and artifacts (Sauer, 1925), sociology, symbols and signs (Cosgrove & Jackson, 1987), literature (Ringer, 1998), language (Echtner, 1999), socio-historical processes (Duncan & Duncan, 1988), and sights and visual perceptions of tourists (Urry, 1990), among others.

Harvey (1989a) is one scholar in particular who warrants a sizeable amount of consideration for his work done on culture in the postmodern urban environment. The city, Harvey notes, runs the risk of playing a ‘zero sum’ game, where ‘competing’ cities strive to develop similar identities, thus making them more alike. More importantly, as a result, cities do not celebrate uniqueness and the strengths and characteristics of the destination. Jameson (1984) too takes a materialist approach to culture and its evolution in a capitalist society aided by informational technologies. The culture created, in this sense, is purely formed around the hunt for profit. In the case of San Francisco, and its culture of innovation, Harvey’s thoughts may provide a fresh perspective on the processes occurring now in tourism.

In the contemporary city, Selby (2004, p. 43) argues that the defining characteristics of culture, once known as highbrow, art, cinema, popular, and importantly for this research, ‘everyday life,’ have been blurred. This ‘collage,’ Selby (2004) describes, is somehow analogous to the cultural landscape that has been romanticized in the United States, where cultures meld like a delightful ‘melting pot.’ In this type of city, all ‘traditional’ frontiers become porous, thus creating a fusion of genres, categories and styles. ‘Traditional,’ because usually the depicted popular, institutionalized notion of culture within a destination is highly dependent on the urban elite or anyone without the consent of the majority, and thus should be understood partially as such (Greenwood, 1977; Kearns & Philo, 1993). It has even been critiqued that the exploitation of the ‘traditional’ notion of culture and heritage, especially in the context of tourism, is synonymous with the commoditization of culture (Hewison, 1987; Selby, 2004). Greenwood (1977) claims, as Kearns and Philo (1993) allude to, that local culture can be exploited by anyone, even if the majority do not identify with the marketed slogan. This propagated culture is ‘altered and often destroyed by the treatment of it as a touristic attraction’ (Greenwood 1977, p. 131). Ironically, Cohen (1988) explains that authenticity, in this case, is also destroyed, especially from the perception of the tourist.

The foundation of this research can be defined by Jackson’s (1989, p. 23) view on the way research is headed, where the focus is on ‘the way cultures are produced and reproduced through actual social practices that take place in historically contingent and geographically specific contexts.’

Culture is ‘the level at which social groups develop distinct patterns of life’ and is thus defined by the ‘processes through which meanings are constructed, negotiated, and experienced.’ Culture, in this sense, is purely confined to the happenings, interactions, and relationships of the day-to-day, and a way of life (Jackson, 1989, p. 2, 180). Moreover, Selby (2004, p. 60) comments on Lefebvre’s (1976) conceptualization of the urban cultural landscape as one that is ‘complex and heterogeneous.’ These differences are expressed through a narrative that is highly dependent on the ‘everyday life’ of the factions that make up the city. Selby (2004) acknowledges that Lefebvre’s (and others like him) contribution is on a micro level, and represents a challenge to the materialist approach seen with Harvey (1989a). According to Lefebvre (1976), the actualization of urban culture is much more a result of people on different levels of society, the language they use and how they perceive their space. Lefebvre’s understanding of the urban scene sets the stage for dynamic ‘everyday life’ studies (e.g., this research) occurring among differentiated sectors of society.

## **2.5 Culture in tourism**

MacCannell (1973) compares the modern tourist to a once religious pilgrim, seeking the most genuine of experiences. Trauer (2006, p. 186) notes that the tourism experience has become a ‘ritual or sacred journey’ to satisfy the traveler’s image of a place that has been propagated by the tourism industry and the greater media. Somehow the religious mind, and its pursuits symbolize a realness, or tangibility that cannot be tainted, even by commerce. The meaning of the word ‘authenticity,’ Cohen (1988) notes, is a socially constructed concept vulnerable to the conditioning and perspective of the observer, always shifting from tourism product to tourism product. Cohen (1988, p. 380) goes on to describe ‘emergent authenticity,’ which is a product that evolves in to something culturally genuine for a host destination, despite any possibility that it was manufactured purely for tourism consumption (See Black Rock City, San Francisco, California).

Wang (1999) points out that authentic experiences in tourism can evolve as something simply perceived as authentic – ‘existential authenticity.’ This approach toward the tourism product emphasizes tourists as a creative participant. The perception of partaking in a truly authentic experience that one has created on his or her own, alludes to the proactive process of self-making through travel and leisure. The medium of tourism then becomes a metaphorical palette for the narrative of the self, and thus a maker of meaning. Diller et al. (2006, p. 23-24) provide insight in to the occurrence of meaning.

Meaning is our minds construction of reality, the translation of existence in to conceptual form. Meaning helps us understand the world and ourselves, learn and make sense of what’s around us...a framework for assessing what we value, believe, condone, and desire... assigning meaning to experience is how each of us creates the story of our life and its ultimate value and purpose.

The search for meaning and authenticity in a tourism experience has become the basis for the restructuring of cultural tourism's mold, ultimately producing newer and more interactive forms of tourism that challenge the draw of mass cultural products (Richards, 2011; Richards & Wilson, 2006). Today the literature refers to this expansion as creative tourism.

### **2.5.1 Creative tourism**

In 1965 Abraham Maslow discussed his theory on adult education and self-actualization, which he defined as the desire to reach one's full potential, or to become everything that one is capable of developing in to. This is achieved through being conscious of one's thoughts and sincere with oneself, taking responsibility, and by simply working. Maslow's (1965) focus on *adult* education, he explains, is because of pre-developed 'capacities, talents, directions, missions and callings.' Teresa Amabile, Mihaly Csikszentmihalyi, Edgar Faure, Alan Kay, Seymour Papert, and Paul Torrance have been described as some of the key figures in the discussion of self-actualization (Burlinson, 2005, Tan et al., 2013). The relevant literature from these writers, Burlinson (2005, p. 437) explains that self-actualization, and learning and creativity are all intimately linked, and that learning is actually accelerated when creativity and self-actualization are both incorporated in to the 'curriculum.' In their study on creative tourism in Taiwan, Tan et al. (2013) find that tourists' consumption of such products is laden with education opportunities. These authors note that learning is not bounded to the knowledge and skill associated with the actual creative experience (e.g., shading a picture, tying a rock-climbing knot, etc.), but rather is a collection of things learned through knowledge sharing and collaboration with others. In the same study, using a Grounded Theory approach, the authors discover that the creative tourism experience is a product of the tourist's interaction with the destination, and his or her own personal awareness or consciousness (Tan et al., 2013). The findings of this research are consistent with earlier findings that metacognitive awareness, and the development of multiple perspectives are fundamental to deep understanding (Burlinson, 2005).

This process of education and self-actualization, along with the search for more imaginative tourism experiences can be seen in the tourism literature as the impetus behind an innovation of sorts (Chang, 1996). One of the key elements Richards and Wilson (2006) credit for the growth of creativity in tourism is the growing aspiration to develop ones self, and also to develop the narrative around ones self. The tourist, in this case, is seeking and demanding products and services that conform to the image of their ego, and the direction in which they see that image evolving. Consumption, or the way a person chooses to spend his or her money, is thus an expression of values and the way one sees the world, which is explicit in the product that they are purchasing (Bourdieu, 1984).

The processes around creative tourism, because of its roots in cultural tourism, are very much a product of the destination. 'In order to develop creative tourism, industry practitioners must identify the activities which are closely linked to their region' (Richards, 2005, p. 11). This quote is

an anecdote of the literature's emphasis on the relationship between the destination and the creative tourism experience. Creative tourism processes in a destination facilitate the interactions among tourists and local skills, knowledge, innovation, habits and unique qualities of the destination (Richards & Wilson, 2006). Richards (2011) argues that this shift toward the social and cultural context of the destination's ecosystem has gone away from a focus on 'creative people,' and 'creative products.' Others have argued that a more localized approach to tourism offerings is a response to the way people and information flow in a 'new' global community. In 1988, Poon introduced the idea of 'new tourism.' New tourism is the response to globalization and the interaction of international and local trends emerging in the tourism economy. These trends led to less rigidity, individualization and cross sector collaboration in tourism offerings Poon (1988) argues. Chang and his colleagues (1996) claim that global competition has made 'local-level involvement' key in tourism development; that the exploitation of 'site-specific' characteristics is vital in resolving any challenges associated with globalization. Site specific also alludes to the processes of the day-to-day, processes that are not within the confines of a specific field of training, or within the confines of 'traditional' creative professions (Ivcevic & Mayer, 2009). Cropley (1990) argues that creativity in everyday life is a product of openness, flexibility, a willingness to take risks, playfulness, and an untraditional approach toward the ordinary. Naturally then, creativity and its inclusion in tourism are very much grounded in what local people do in their everyday lives (Richards, 2011).

Dan Ariely (2010), the behavioral economist, and author of *Predictably Irrational* and *The Upside of Irrationality* uses what he calls the IKEA effect to describe how people assign greater value to things that they arrange or assemble on their own, even if it is pre-fabricated before the arrangement or assembly (As IKEA furniture is). This is largely what defines the attraction toward experiences based on co-production and co-creation, especially within the field of creative tourism. Creative tourism is largely defined by co-production and co-consumption of the tourism offering. As Richards (2006) notes, the creative tourism product is based around the active participation of the tourist, where he or she is in the process of creation along with the service provider. In 2009, Binkhorst and den Dekker wrote that tourists becoming the designers of their experience will define the new wave of tourism products. They argue that co-production and co-creation have been almost non-existent in the field of tourism, and that it should be something taken more seriously in the offerings of a destination. Etgar (2008, p. 98) defines co-production as any form of 'cooperation between consumers and production partners;' this includes a collaborative event, which produces shared innovation, creation and, or co-working. The tourist and co-producer is no longer a traditional client, consuming what the agent provides, but rather he or she is jointly collaborating with the agent. Importantly for this study, White et al. (2009) discuss the idea of co-creation of an experience, which they see as the value that is co-created at the moment of consumption.

Maitland (2007) finds that tourists visiting creative urban spaces in the UK often cited multiple motivations for visiting; for example, respondents frequently combined 'VFR (visiting friends and relatives) and holiday,' 'business and leisure,' and 'holiday and education.' This is a trend that

Richards and Wilson (2006) also acknowledge as a driver of creativity in tourism offerings, where several lines of motivation are blurred, especially the line between work and leisure. This spectrum will be further discussed in the literature on Special Interest Tourism. In the case of creative professionals, their leisure might be heavily associated with their line of work, especially when visiting ‘creative destinations.’ This, Pappalepore (2010, p. 8) finds, may be for the purpose of being ‘up to date with the latest trends, or to soak up the creative atmosphere and be inspired for their own creativity.’ The reference to a particular interest in a very contextual setting by Pappalepore, alludes to a greater field of the tourism literature, one that is defined by the pursuit of particular leisurely activities in a given destination – Special interest tourism.

### **2.5.2 Special interest tourism and serious leisure**

Morgan and Pritchard (1999) argue that tourism prefixed with specific descriptors, such as ecotourism, adventure tourism, cultural tourism and special interest tourism (SIT), ‘serve to indicate qualitative difference from those of mass tourism’ (Trauer, 2006, p. 184). Hall and Weiler (1992, p. 5) argue that the SIT ‘traveler’s motivation and decision-making are primarily determined by a particular special interest with a focus either on activity/ies and/or destinations and settings.’ The first part of that definition by Hall and Weiler stresses the ‘interest’ in special interest; a designation that immediately brings to mind differentiation, individuality and customization. This is a response to the mass production of tourism activities and products, and a shift to address, not only the particular needs of individual travelers, but also the needs of the destination (Douglas et al., 2001). In Opaschowski’s (2001) book on tourism in the 21<sup>st</sup> century, the nature of leisure has developed, in part, in to a pursuit of self-actualization, which is bounded by a very specific context. This context, Sharpley (1999) notes, must be considered in any theoretical framework within the field of tourism. The destination, or the ‘setting,’ as Hall and Weiler (1992) discuss, is the other key in defining what constitutes SIT. Because of the customization and individualism inherent in SIT, the spatial, cultural and social environment of a destination constitutes the extent of offerings for a SIT experience.

In their ‘tourism interest continuum,’ Brotherton and Hemmetoglu (1997) put forward that a ‘special interest’ tourist is defined by the question that they ask; for example, he or she would most likely question, ‘what interest/activity do I want to pursue, and where can I do it?’ In this continuum, the authors note that there is overlap between SIT, and the previous classification Mixed Interest Tourism (MIT), where the question, ‘where do I want to go and what activities can I pursue there?’ defines the mindset of the traveler. In the later, the destination, itself is not consequential, because there is not a distinct connection between what the destination does exceptionally well, and what the interest is.

The theory behind special interest tourism falls within a greater field of leisure studies, and the topic of ‘serious leisure’ specifically, appears to harness a great deal of what is happening now in the San Francisco Bay Area. Hall and Weiler (1992) were the first to connect the characteristics of serious

leisure to the happenings of SIT. From the man who grounded the theory, ‘serious leisure is the systematic pursuit of an amateur, hobbyist, or volunteer activity sufficiently substantial and interesting in nature for the participant to find a career there acquiring and expressing a combination of its special skills, knowledge, and experience’ (Stebbins 1992, p. 3). Conversely, casual leisure is ‘immediately, intrinsically rewarding, relatively short-lived pleasurable activity requiring little or no special training to enjoy it... evanescent pleasure with only minimal training’ (Stebbins, 2001, p. 53). Serious leisure, on the other hand, encapsulates every pursuit of personal development through leisure activities; including education (or any pursuit of knowledge), ideation, brainstorming, and developing hobbies, among others.

As SIT is highly specific to the destination that hosts the tourism product, culture too plays a large role in the development and growth of a serious leisure tourist. Any serious leisure that a hobbyist pursues comes as a result of the accumulation of knowledge and experience, which is highly dependent upon the culture of the destination where the experience is taking place in (Stebbins, 1996). Learning how locals interact with one another, and ‘attend to everyday needs,’ is the key for what Stebbins (1996) describes as a practical knowledge of the cultural tourist. What is occurring in the San Francisco Bay Area, we will see, is the development of a cultural tourism product, where the product is highly dependent upon the day-to-day norms and customs of relationships and business.

Serious leisure, and the work laid out by Stebbins describes some form of business travel, as the literature describes the connection between leisure and work often. Bartram (2001, p. 5) states that ‘serious leisure is the systematic pursuit of an amateur, hobbyist, or volunteer activity, that is sufficiently rewarding despite the costs, such that participants find a career in the acquisition and expression of its special skills and knowledge.’ Occupational devotion, Stebbins (2004) argues, is at the heart of what motivates many serious leisure tourists, where the individual has such a strong internalization of personal values (e.g., success, freedom of action, individual personality, etc.) that he or she actively pursues self-enhancing work, so much so that the leisure (tourism) and the processes of ‘working’ are blurred. Stebbins’ point about occupational devotion is that there is joy found in both work and leisure, which can be the same thing. An understanding of what constitutes business tourism is needed to understand where the processes of San Francisco fit in to the preexisting theoretical framework.

## **2.6 Business travel**

Swarbrooke and Horner (2012) discuss the relationship between business tourism and leisure tourism; for example, both type of tourists experience the same attractions, but at different times (e.g., off work hours) and in different ways (e.g., a business soiree at a museum after work). Through incentive travel – leisure and business are one in the same, where business travelers might also come with families and act as any other tourist. The way time and energy is disseminated throughout the life of the trip is a key link, especially because once work has been completed, or in-

between business events, business travelers become leisure tourists, where supplementary tours, events and leisure activities may be organized for the business traveler at the destination. Business travelers and leisure activities are also connected through supply; for example, service and hospitality establishments, accommodation, airlines, and transport infrastructure all serve the needs of both types of travelers. In fact, Dresner (2006) discusses that the two types of travelers require very similar requirements, have similar motivations, and exhibit parallel travel habits. Lastly, there are circumstances that both travelers will encounter; most notably, travel delays having an effect on their plans, reservations, etc. (Swarbrook & Horner, 2012)

Swarbrooke and Horner (2012) distinguish between business travel and business tourism. **Tourism** is a broader term for all activities associated with the experience of the business traveler (e.g., staying in a destination for one night). *Travel* is associated with the movement from home to destination for business, without an overnight stay. According to Swarbrooke and Horner (2012) business travel and tourism can be broken down into 5 types: Conferences and meetings, exhibitions, incentive travel, product launches and training courses. Amongst these types, sub topics have emerged in the academic literature based on unifying characteristics, one of which being MICE (Meetings, Incentives, Conferences/Conventions and Exhibitions) tourism. The MICE industry, Ladkin and Spiller (2001, p. 1) discuss, is ‘extensive and rapidly growing, and is largely associated with travel for businesses purposes. MICE-related events include meetings, conferences, conventions, congresses, exhibitions, expositions, and incentive travel.’ On meetings alone, \$107 billion was spent on over 1.2 million events in 2005 (Meetings and Conventions, 2006). MICE, therefore, represents an enormous market, especially in the United States, where many of the destination marketing organizations (DMOs) are largely convention and visitor bureaus that operate local event facilities; the same can be said for *San Francisco Travel*, as well (Pearlman & Lindi, 2008).

## **CHAPTER 3 THE SETTING**

### **3.1 San Francisco – ‘The city’**

San Francisco is largely defined by its geographical, financial, and cultural location in the center of a greater backdrop. While San Francisco constitutes a population of around 805,000 (U.S. Census Bureau, 2010), the eight surrounding counties (Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma) that make up the San Francisco Bay Area (See Figure 1) contain nearly 7 million inhabitants (Bay Area Census, 2010).

Figure 1. Map of the San Francisco Bay Area



Source: Bay One Acts Festival, *BOA 2013 Now Accepting Script Submissions*, 2013

Throughout the course of the analysis, the San Francisco Bay Area will also be referred to as the Bay Area and the **Silicon Valley**, because the discussion around innovation in San Francisco also implicitly and explicitly alludes to the regions around the city. Silicon Valley, actually refers to the region emanating from just south of the bay down through Santa Clara County and the city of San Jose. What one discovers, however, is that the term Silicon Valley comes to represent, not only a bounded geographic setting, but an ethos and mindset that carries all the way up the peninsula and in to the city of San Francisco itself. ‘The city,’ as locals often call it, is largely defined by the physical beauty associated with the Pacific Ocean, preserved greenery and unique topography (Glaeser et al., 2001; Law, 1996).

As a child, I had often times been to sporting events at Candlestick Point in the Southeastern end of San Francisco. At many of those games I remember reading the banner that spanned the length of the field itself. ‘Welcome to San Francisco, the worlds most famous city.’ As I am today, I was skeptic at the time of the banners validity; however, understanding San Francisco more and more as a tourism product and its role in the development of technology has revealed a great truth to that quote. By many criteria, San Francisco is well established as a major center of technology, innovation and production in the world. The story of the San Francisco Bay Area as a center of economic growth started with the generation of national defense spending infrastructure throughout the 1950s and 1960s. After this period, the story plays out like the history of technological innovation around the world. From Semiconductors and microprocessors in the 1960s to the introduction of Apple and personal computers in the 1970s and 1980s, to the introduction of the

Internet, and web 2.0 in the 1990s and 2000s, the San Francisco Bay Area has been at the forefront of technological innovation for over 60 years. (Walesh, 2010)

The nature of the various inputs of information and influence is represented in the **diverse set of skills** and diverse set of products that came out of the early years of innovation in the Bay Area. The first personal computers, for example, were designed by members of The Homebrew Computer Club, which was a hodgepodge collection of coders, entrepreneurs and general technologists (Lehrer, 2012). One respondent (a San Francisco native) in particular noted the arrival of the first personal computer (MAC) Apple introduced (Interviews, 2013):

I started my business in 1984, with the first Macintosh, so the first cube standing thing, the floppy disk... matrix printer that blew our minds, because you could actually have a graphic in there, and you could pick your own fonts... you know that was really important to us, because we were artists.

The basis for innovation at that time, and to this day, has been a fusion of different fields and a sharing of ideas to create products that create change. Hall references Scott (1995, p. 648) in an allusion to this exact development in the San Francisco Bay Area. San Francisco is described as ‘a city in economic and social flux, a city with large numbers of new and young arrivals, mixing and merging into a new kind of society where new processes are developing around art and technology.’

### **3.2 Innovation in the San Francisco Bay Area**

This section of the paper marks the beginning of the analysis. From this point forward, as discussed in the methodology, the collection of data was fused with analysis, and thus the paper emerges as the grounded theory was developed. Because the interview questioning initially sought to understand the context of innovation in the San Francisco Bay Area, much of the analysis and ‘focused’ codes are centered on this culture. Better understanding this culture will create a solid stage for the later part of the data collection and analysis that ultimately yielded the ‘theoretical’ codes that define the conclusion of the research. The following section is how I came to understand innovation in Central California today.

When pushed on innovation in the context of San Francisco, one respondent exclaimed that, ‘it’s everything all of the time, and it is being exposed to the latest and greatest’ (Interviews, 2013). This statement is extremely telling, and stresses that creativity and innovation, as discussed in Chapter 2, are absolutely grounded in the space that they take place in.

As Bettencourt et al. (2007a) note, there has been a considerable amount of academic discussion around the urban space as a metaphor for ‘living systems’ (pg. 36), ‘organisms’ (pg. 37), an urban ‘metabolism’ (pg. 17, 38–40), or most notably, ‘**ecosystems**’ (pg. 38). One respondent’s vibrantly

expressed metaphor for San Francisco, and the greater Bay Area for that matter, echoed what many others noted during my research period (Interviews, 2013).

If you try to reduce it down to one trend, that's the same things as we grow corn, GMO corn... and that's all we grow. No! San Francisco is a big vibrant forest, and there's the ocean down there where the money comes from. But there is all this fungus and predators, and trees, and the ecosystems shift and change, but it really is an ecosystem. It's a complex, a very complex ecosystem.

One of the prominent codes in this quote, is the physical characteristics associated with the city; or the key amenities responsible for capital and innovation to flourish in the Bay Area. One of these amenities is the iconic hills that spot the peninsular land structure: Russian Hill, Nob Hill, Portrero Hill, Cathedral Hill, etc., etc. It is fitting then, that hills, or peaks and valleys, are used to illustrate the proper conditions for complex systems and adaptation. Kauffman (1991, 1993) argues that adaptation and the ideal conditions for innovation occur at the 'edge of chaos,' where the physical landscape metaphorically represents the landscape of actors in the destination. The edge of chaos theory is part of a greater understanding of the principles of living systems, which is the process of life (Benne, 2005).

Whether we are talking about molecules cooperating to form cells or organisms cooperating to form ecosystems or buyers and sellers cooperating to form markets and economies... natural selection cannot be the sole source of the order we see in the world. In crafting the living world, selection has always acted on systems that exhibit spontaneous order. (Kauffman, 1995, p. viii).

Kauffman's description of complexity theory, for the purpose of this research, gives a theoretical understanding of innovation in the San Francisco Bay Area, and the intricate, complicated nature of studying and defining such processes in a given geographic space. As will also be seen throughout the grounding of theory in this paper, the theory of complexity is based on an understanding that, as the waters off the San Francisco peninsula nurture life that is incomparable to that of the Malay Peninsula, for example, the **contextual** characteristics of specific destinations also effect the ecosystem of innovation.

There is truly a physical and spatial component to innovation in San Francisco. 7x7 is a city guide for everything from food and drink to technology and gadgets in the city within the city's roughly 7 mile x 7 mile city limits (7x7.com, 2013). For the rest of the world, that means 11.2 kilometers by 11.2 kilometers, or roughly 125 square kilometers, or about 17 times smaller than the Tokyo metropolitan area (Interestingly, the area of Japan is roughly the same as California). Many of the conversations throughout the data collection alluded to the **proximity** of people, relationships, amenities, and networks, among others. The physical concentration of the city came up often in the

discussion around innovation in San Francisco; which alluded to many different understandings of the word **accessible**.

In her book, *The Nature of the Future*, Gorbis (2013) discusses how **social currencies**, and the social capital one gains from ‘social networks, social standing and social influence,’ will evolve as a new value metric to replace money as we know it. Gorbis is referring to the value associated with the quality of one’s reputation, and how that can be commoditized on some level. The idea of a ‘reputation bank statement’ mirrors other concepts around alternative approaches to a strictly capitalistic mindset; for example, Bhutan’s preference for Gross National Happiness over GDP. In my findings, however, much of what Gorbis is referring to is already occurring on some level in the San Francisco Bay Area, largely due to the physical and social accessibility of the city of San Francisco. This idea was summed up by one respondent: ‘The thing about the Bay Area is that you can build up such a strong **reputation** off the back of the work that you do, that has deep implications for your professional future, as well as your holistic personal future’ (Interviews, 2013). Many people referred to a kind of ‘fishbowl’ effect in the San Francisco Bay Area, where people are capable, through events, the nature of networks and relationships, and the general connectedness of the space, to easily be ‘in sight’ of one other.

There is also a distinct cultural nuance to the **accessibility** of people in the space. Many stories during the collection of data were centered on the capability to access anyone at any time, more or less. One visitor felt as though they could potentially e-mail someone they had never met in the morning, and be introduced to them before dinner (Interviews, 2013). This approachability refers to every type of individual in the ecosystem, from grad students working on their master’s thesis, to professionals at the top of their field; not only was this expressed to me, but it was also experienced by me, first hand. Knowledge and information easily fit within this model as well, where **knowledge exchange**, and the accessibility of ideas and thoughts have become an internalized approach by the people in the space. This, many noted, comes down to the general friendliness and willingness to share that pervades the space. One foreigner working in the area was highly impressed by ‘the energy of the people in the Silicon Valley. People are very friendly – they want to help you. You can easily get some introduction to important people’ (Interviews, 2013). One local, in fact, proudly noted that the quality of a destination was based on the friendliness of its inhabitants. What I discovered is that much of ‘how to’ social network is grounded in one’s ability to understand what he or she can offer to the ecosystem in the Bay Area; a sort of ‘pay-it-forward’ mentality. Some might question that it is more based around a ‘what can you do for me’ approach to relationships, but there are definitely many who feel that this friendliness and sharing attitude is based on an understanding that business should be an extension of a more humanistic exchange. Ultimately, there is a thought that this will result in the most fertile business environment, where sharing will bear the most fruits for everyone.

There are great advantages for travel and tourism in an environment of accessibility, as well. In one interview, the interviewee noted that the connectivity of the city, with the help of websites like

*Yelp.com*, had made restaurants, museums, tours, and several other tourist offerings highly visible, and highly **approachable** for visitors to the city. One does not necessarily have to be ‘in the know,’ in San Francisco to find the places that locals are frequenting as well. That does not mean that San Francisco does not have a slight dependence on mass ‘waterfront’ tourism (As any visitor to Pier 39 can attest to), but there is definitely an accessibility that is unlike most destinations in the world. The general friendliness and openness discussed connotes another trend around the San Francisco Bay Area, a trend that too has great implications for the health of innovation in the space:

### **Acceptance.**

One interviewee said that innovation is inherent in a start-up company, because a start-up connotes something that has never been done before, and a willingness to push novelty. There is a great deal of uncertainty and **risk** in something that has not been tried and tested; think of the Titanic, Nuclear energy (Fukushima, Chernobyl and Three Mile Island), and a military offensive in Russia in the winter (twice). In order for ‘risky,’ ‘questionable’ and even ‘crazy’ ideas to have the opportunity to be innovations there has to be a culture of risk, and the acceptance of these ‘left field’ thoughts. As one individual noted, there is a big difference between investors in the San Francisco Bay Area and investors in New York or Western Europe: ‘in other places, they want to see things that have already been done, and here they want to see things that have never been done’ (Interviews, 2013). One venture capitalist I heard speak referred to this as ‘the edge.’ The culture of investing, however, could very much be a product of an ingrained culture of support and acceptance. There is a reason, for example, that San Francisco has nearly twice the concentration of gay couples than any other city in the United States (Black, 1998), and that gays have perceived San Francisco “as a place in which being gay is celebrated, accepted, or at least tolerated as ‘no big deal’ (Murray, 1996). Apell (1998, pg. 94), in fact, refers to the city as the ‘world’s gay and lesbian capital.’ It is not surprising then that **tolerance** of ‘alternative’ lifestyles, translates very well to the acceptance of any ‘dumb idea,’ as one traveler put it. One respondent even described the positivity around what is possible, in San Francisco especially, as ‘intimidating’ (Interviews, 2013).

Perhaps the greatest role that a culture of acceptance plays in innovation is around social, mission driven ventures. In the social entrepreneurship, and non-profit space, acceptance and relationships based around non-judgment and equality are the organizations that tend to do a better job at achieving their mission (Wei-Skillern & Marciano, 2008). Meeting of the Minds (Native of the San Francisco Bay Area), an organization and business meeting dedicated to civic and social innovation, has made failures a large part of what speakers must discuss during their time on stage. This is an understanding that to solve such heavy urban civic challenges, prototyping ‘wild’ ideas must be an emphasis, even if that means failing. There is an implication that innovation is ubiquitous in such accepting, risk prone environments; and the ‘food revolution’ in the San Francisco Bay Area, as one interviewee called it, is a vivid example of such developments. The story of the San Francisco food truck scene, in particular, is very much the product of young, educated, talented chefs with very little practical work experience, which took what was traditionally understood as a substandard eatery – the food truck – and revolutionized mobile food businesses in the United States. This can

only be done in a space that understands that untraditional ideas are worth investing in, and that doses of failure are a large part of a healthy innovation ‘ecosystem.’

Certainly, **diversity** of opinions, diversity of ideas, diversity of networks, and diversity of experiences is something that has been understood as a driving force behind much of the success of the destination. As one respondent informally observed about the diversity of skills in the area, ‘Mythbusters is in San Francisco for a reason. Where can I find people who know how to run Tesla coils and explode things’ (Interviews, 2013)? This diversity is maximized and manifested through **collaboration** – another serious topic in the culture of creation in San Francisco. Creating the proper conditions for a diverse set of people to ‘supercharge innovation,’ as one respondent put it, was the basis for much of the conversation during my data collection. From the growth of coworking and incubation spaces (Chapter 4.5) to the entrepreneurial energy of the local government, and the creation of hybrid organizations, connecting people and facilitating collaboration was often seen as the key to designing and creating viable businesses, as well civic and social ventures.

Ultimately, a simmering of unique perspectives results in conflict at times, which comes as a result of **questioning** standards, and **challenging assumptions**. Entrepreneurship, throughout the collection of data, was largely defined as a mindset – a mindset of boldness and of challenging norms of business. To be able to challenge one’s beliefs and one’s internalized theories, many in the Bay Area observed, is the basis for true innovation. In order to make this reality, many I discussed with felt that **mindfulness**, **metacognitive** ability, and **awareness** are great indicators of the change and growth that occurs when challenging customary forms of business. Designing products, services, and companies that are generated to produce **meaning** and value, several acknowledged, is in large part due to one’s ability to self-reflect, and be conscious of one’s conditioning and one’s thought. This sentiment is clear in one response regarding the thought process of a large portion of the business world today. ‘Most of the questions that are asked are, will it scale? Those are all bullshit. Will it make money? Which is also usually bullshit. Is there a business model? When what they really should be asking is, is there a value model’ (Interviews, 2013)? What this quote alludes to, and what many other shared with me during the collection period, is that a small percentage of business men and women see innovation as the ability of an organization to connect with customers on a very profound level, something that is not necessarily pervasive in the business world at the moment. This provider – providee interaction had been described as **individualization**, **customization**, user-centric and customer-centric, among others, but on a fundamental level, it describes a more acute understanding of the significance of **relationships**.

Jiddu Krishnamurti once said, ‘if there is real relationship between two people, which means there is communion between them, then the implications are enormous.’ Perhaps as a result of a market shift from goods and things towards experiences and service, the implications for understanding what constitutes a robust exchange between oneself and the world are, as Krishnamurti says,

enormous. What design is essentially starting to unfold, as we will see in Chapter 4.7, is how services and experiences are developing stronger relationships with customers. What was also discovered during the research is that relationships and how people are defining their network is playing a large role in the development of start-ups, and the ideas associated with fledgling companies. The culture of the San Francisco Bay Area has shown that transparency (collaboration and knowledge exchange) and authenticity go along way in developing social capital within a community that was built on the idea of sharing, and creating for the greater good (see hacker culture chapter 4.3). Especially within the field of mission driven organizations, networks and how one builds links to the world is becoming a key indicator for success (Wei-Skillern & Marciano, 2008).

Relationships in the context of innovation is not limited to the link between one individual and another, but rather, it is understood that relationships are about ones own connection to the physical environment, the society and everything that one is exposed to on a day to day basis. Many of the people I spoke with highlighted **sustainability** and holistic, systems thinking as a basis for the evolution of business in the San Francisco Bay Area; or the convergence of sustainability, design and business. One respondent, in a discussion on what makes specific business processes in the Bay Area unique, commented, ‘I mean this is a huge sustainability, humanism, social justice NGO scene... it’s part of our DNA’ (Interviews, 2013). Significantly, much of the movement observed around sustainability and the challenging of business norms in the Bay Area is occurring in the field of **education**; a field that has become a catalyst for change and progress.

Education is mirroring and propagating innovation in the Bay Area at the moment; in fact, one respondent described a local master’s program as one in ‘leading innovation’ (Interviews, 2013). Several of these schools and programs are based around the redefinition of business practices, programs that ‘challenge’ the standard and traditional business practices that the likes of Harvard, Yale, and other East Coast programs generate. These responses point to a frustration at the status quo that traditional Master of Business Administration (MBA) programs have resulted in. Much of the transition is based around practical, contextual based learning. As one interviewee noted about the ideology of one business program in particular; ‘make is the new think’ (Interviews, 2013). From social entrepreneurship programs to MBA programs fully inundated with sustainability to programs built around emerging research tools, colleges in the Bay Area have been some of the first movers in the latest trends in business education. In one interview, the responder describes how the evolution of business education in San Francisco, at one school in particular, has evolved with other cultural developments: ‘we started from the arts and crafts movement, humanism, social justice, so the whole sustainability, humanistic aspect that covers how we look at business fits right in’ (Interviews, 2013). Other aspects of the evolution of higher education in the Bay Area closely resemble the cultural and social landscape of the space. One campus, in particular, is comprised of nearly 80% international students. Furthermore, some of the curriculum models have implemented processes that allow travel from greater distances, and thus facilitating greater diversity in

perspective; for example, the residency model, where courses are held one time a month, and students can essentially ‘commute’ to the Bay Area for courses 4 days a month.

What is more, educators in the entrepreneurship space are innovating the way knowledge is disseminated and the way courses are structured; looking for more accessible platforms to offer course credit outside the ritual of a traditional educational institution. **Massive open online courses (MOOCs)** are one of the results of this development, where social networking is being used to connect experts in the field with self-organized students who have specific learning priorities, and particular interests (McAuley et al., 2010). The MOOC is an anecdote for the development around innovation in the higher education space. What will be discussed further in chapter 5.3, as one interviewee noted, fledgling mid-tier schools can no longer continue to offer the same type of education options that can be found for a fraction of the cost online. Schools are also spending more energy on the development of certificate programs that propagate certain skills and processes that can help students broaden their career opportunities without investing in an entire degree.

What MOOCs and other online education platforms quietly allude to is the presence of **technology** in the discussion on innovation in the San Francisco Bay Area. Technology, throughout the research, was described as a binding factor that is both imperative and essential. What is unique about technology is that it intersects with nearly every field thus enhancing and facilitating the evolution of everything from education and energy, to applications and video games. The word innovation in the San Francisco Bay Area, at times, seems to coagulate with the idea of technology, ultimately becoming one collective mass. As one interviewee described, San Francisco is the technological center of gravity, and it becomes immediately apparent when spending time in a culture of early adopters and avid technology consumers.

### **3.3 Recreating Silicon Valley – An introduction to regional specialization**

In an exchange of e-mails with one respondent, I was lead to an online article titled “Don’t call Africa’s tech hub ‘Silicon Savannah’ (Munford, 2013a). The sender of the e-mail had just spent the previous summer working in Nairobi, and had visited *m:lab*, the consortium for the incubation of local Kenyan entrepreneurs, during his time there. What is more significant, is on the same page, an article titled, ‘can Berlin replicate the Silicon Valley model?’ was being advertised (Munford, 2013b). A quick search on the same website also produces, ‘London: The hottest tech scene since Silicon Valley’ (Munford, 2013c)? As well as, ‘Top 15 cities for tech startup investments’ (#1, #2 and #11 are telling – Table 2), which is based on findings from the National Venture Capital Association (NVCA) on cities in the US (Murphy, 2013).

Table 2. Top 15 Cities for Tech Startup Investments

1. San Francisco	9. Philadelphia
2. San Jose, Calif.	10. Chicago
3. New York City	11. Oakland, Calif.
4. Boston	12. Atlanta
5. Los Angeles	13. Pittsburgh
6. Washington D.C.	14. Denver, Colo.
7. Seattle	15. Boulder, Colo.
8. Austin	

*Source: Murphy, Top 15 cities for tech startup investments, 2013*

The ever-growing conversation around emulating the economic success of the Silicon Valley highlights something fundamental about organizations, and humans in general. Scientific work on mirroring and copying is paramount, and highlights something basic about the cognizant, thought induced individual: That the self is ever-present. As Meltzoff (1990, p. 146) notes, ‘It is broadly agreed that at some stage in development the imitation of others plays a role in the growth of the self, its skills and proclivities...the abilities of the self, the roles we take on, the standards to which we adhere are influenced by social models.’ This idea of social mirroring, and development is magnified and compounded in an ever connected world; and especially in tightly linked international networks. This concept is very much relevant for the policy and literature around duplicating the economic growth of a region. At the beginning of the 1990s, a great deal of academic literature even, was being formed around governments’ aspirations to recreate their own Silicon Valley (Miller & Cole, 1987). Much of this literature was built around the public sectors awareness of the context of successful entrepreneurship, as well as the ability of public organizations to facilitate the growth of startups (Suzuki et al., 2002). Other scholarly work on developing universal entrepreneurship conditions, from knowledge sharing to processes for building infrastructure, set the road map for destinations to copy what had already been done (Abetti, 1992; Vesper, 1990).

Hospers et al., (2009, p. 286), inventory many of the explicit Silicon Valley copycats that have spawned, at least partially, from public policy:

Silicon Alley (Manhattan—New York), Silicon Snowbank (Minneapolis—St.Paul-Area), Silicon Desert (Phoenix), Silicon Mountain (Colorado Springs), Silicon Prairie (Champaign-Urbana), Silicon Dominion (Virginia), Silicon Hills (Austin), Silicon Forest (Seattle), Silicon Fen (Cambridge), Silicon Glen (Glasgow), Silicon Bog (Limerick), Medicon Valley (Copenhagen), Silicon Seaside (South-Norway), Silicon Saxony (Sachsen), Bavaria Valley (Bayern), Silicon Polder (the Netherlands), Dommel Valley (Eindhoven), Silicon Kashba

(Istanbul), Shalom Valley (Israel), Silicon Plateau (Bangalore—India), Media Valley (Inchon—South Korea), Billi-Can Valley (Arnhem Land—Australia) and Telecom Valley (Minas Gerais—Brazil).

The excessive nature of the list seems slightly mocking, and thus sets the tone for the authors' conclusions; mainly that there is a general lack of understanding and knowledge by the public sector of the entrepreneurial processes occurring in their own region, which ultimately should lead governments to aspire to the marketing and facilitation of existing regional advantages, rather than the 'importation' of an existing destination model. Massey et al. (1992), for example, discuss the growing worldwide presence of science parks, an idea stemming from, and attempting to replicate, Route 128 in Massachusetts and the Silicon Valley. Often, these authors argue, the parks were unable to culturally duplicate the conditions of the Silicon Valley model, and thus proved to be a result of shortsighted policy planning.

What is even more telling is that, despite many failures associated with the effort to reproduce Silicon Valley, the public policy illusion continues today. Lerner (2009) explains how governments continue to seek policy that promotes processes around entrepreneurship, seed funding and high-return venture capitalism. Though he does cite such successes as Singapore, Tel Aviv, Bangalore, and Guangdong and Zhejiang provinces to illustrate the potential government design promises, Lerner argues that policy is still often misguided. Lerner concludes that excessive, and poor design by government often misinterprets the entrepreneurial system in a given destination, thus leading to poor implementation and meager results. Moreover, Lerner emphasizes that public policy should acknowledge its limits in dictating the flow of the market, thus playing more of a guiding role in their efforts to encourage entrepreneurial growth.

The thought around localization and regional specialization, however, challenges the idea of a universal Silicon Valley. Michael E. Porter (1998, p. 90) of the Harvard Business School emphasizes this in a piece on clustering.

Cluster development initiatives should embrace the pursuit of competitive advantage and specialization rather than simply imitate successful clusters in other locations. This requires building on local sources of uniqueness. Finding areas of specialization normally proves more effective than head-on competition with well-established rival locations

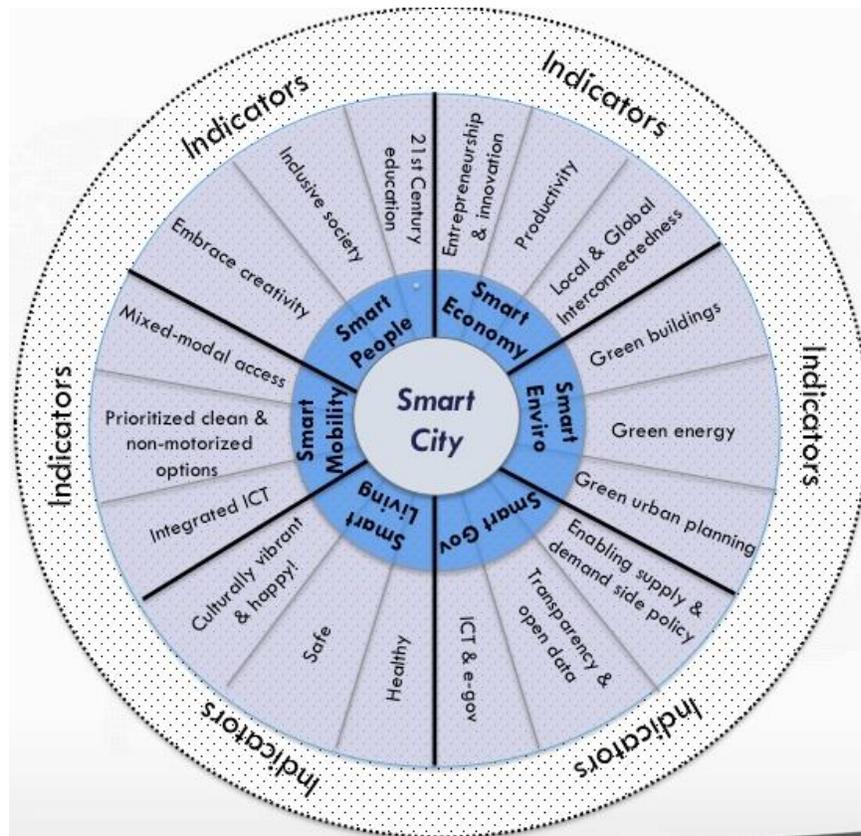
Embracing the local circumstances, Porter argues, is much more economically logical than copying and competing. The idea of clusters specifically will be discussed further in Chapter 4.6.

### **3.4 Urban identification and what constitutes a 'smart city'**

Early on in my research, I had been forwarded several articles from my contact in San Francisco. He did not provide much context for the pieces, but all of them were around the idea of a 'smart city.' The indicators for a smart city (See Figure 2), according to Cohen (2012), are aimed at 'a

broad, integrated approach to improving the efficiency of city operations, the quality of life for its citizens, and growing the local economy.’ One of the three keys Cohen argues for, is that a city’s willingness to prototype, iterate, and re-prototype new technologies and processes will lead to progressive innovations in infrastructure, green technology, and other social issues going forward. Small-scale testing in a destination offers administrations and departments a low cost commitment for a great upside (Cohen, 2012). What Cohen is referring to is a large piece of what defines urban prototyping, and ultimately the travel that must take place to carry out these processes.

Figure 2. Indicators for a ‘Smart City’



Source: Cohen, *What exactly is a smart city*, 2012

Rapid **prototyping**, also known as ‘solid freeform fabrication,’ ‘desktop manufacturing,’ or ‘layer manufacturing,’ is the movement from conceptualization to actualization in an accelerated time frame. Throughout my dialogues and discussions (to) prototype was used as both a noun and a verb. The noun refers to the ‘first or original example of something that has been or will be copied or developed; it is a model or preliminary version... an approximation of a product (or system) or its components in some form for a definite purpose in its implementation’ (Chua et al., 2010, p. 2). These tests or a pilots range from physical to virtual form, from rough to precise representation, and from partial to full implementation. The verb not only represents the act of bringing about these tests, but also the processes around piloting and testing. (Chua et al., 2010)

The definition for prototyping entails several characteristics, where examining, studying, investigating and identifying problems are the basis. Chua et al., (2010, p. 5) identify 5 roles in the prototyping process: ‘1. Experimentation and learning 2. Testing and proofing, 3. Communication and interaction, 4. Synthesis and integration, 5. Scheduling and markers.’ Prototyping is also partially defined by a spectrum of development markers, from early stages focused more on data capture and feasibility to more completed stages emphasizing a honed final experience; a spectrum that is heavily reliant upon time, which we will see is a considerable aspect of the prototype process.

Cohen (2012) references Eric Ries’ lean startup approach, which emphasizes developing a minimum viable product (MVP) as a means of prototyping a startup company’s experience. The MVP highlights one of the key thoughts behind the prototype, and that is creating a very basic model that replicates a desired experience. Again, time is very much a key element in what Ries refers to as an accelerated learning process. Ries contrasts the MVP to a perfected product that has gone through a considerable incubation process before it is even manufactured. The MVP in this sense is wholly centered on creating a product that fails; a notion, as we have discussed, that has come up in the topic of creativity, innovation and the San Francisco Bay Area throughout the research period.

Jaime Lerner is an architect and former mayor of the Brazilian city, Curitiba. Curitiba is another vibrant example of a city dedicated to the principles of sustainability, and leading the way in many areas of urban regeneration. In Curitiba specifically, much of this progress is around the redesigning of the public transportation infrastructure to make it more user friendly, as well as financially viable. The BRT (Bus Rapid Transit) is what Lerner refers to as the model for the cities replicable success. 83 cities have accessed and used this model around the world to help redesign their urban landscape to better facilitate sustainable development; Bogotá, Colombia is perhaps the most vivid example. What makes this development possible is the ideology of the city itself. ‘Environmentalism is the heart of Curitiba’s self-identity, and the municipal government is always devising new schemes that showcase the brand’ (Lubow, 2007). What Lubow is alluding to is the number of conferences and showcases that Curitiba promotes and hosts within its city limits thanks to one of the Lerner legacy pieces: the Urban Planning Department. The city has become a hub for the dissemination of knowledge around a very specific regional advantage within the field of sustainable urban planning – a regional advantage that stems from the essence, or ‘the heart’ of the city. What is most incredible, and perhaps most telling for the sake of this research, is that many of the things that Jaime Lerner describes as being responsible for making the city what it is today, has been developed through rapid production, ranging from 48 to 72 hours, thus replicating a rapid prototype approach to urban development. (Lubow, 2007)

More and more, there seems to be processes occurring that seek to piggy back the development of smart cities like Curitiba, often times fusing public and private interests in an attempt to facilitate the most efficient means to innovate around urban development. One example of this is Meeting of

the Minds, which defines itself as ‘the premier international leadership conference for sustainable cities,’ and showcases ‘opinion-shapers, policy-makers, leading thinkers and innovators from every sector’ for a ‘two-plus days of intensive exchange for leaders creating more sustainable cities using smarter design tools, sounder environmental practices, and cleaner energy systems’ (Meeting of the Minds). Every year the conference rotates to a new urban destination, thus highlighting the contextual nature of smart city design, and presenting best practice from cities around North America. For example, one respondent noted that Toronto’s focus on its neighborhood redevelopment programs, one of the largest in North America, will be one of the strengths highlighted when the city hosts the 2013 meeting (Interviews, 2013).

Something unique that Meeting of the Minds has implemented to their conference is a local walking tour for participants to better understand the context of the location the meeting is taking place in. The 2012 edition of the meeting was held in San Francisco and featured an ‘innovation ecosystem’ walking itinerary. This particular innovation tour, as described by one of the entrepreneurs operating it, encompasses a route that showcases particular strengths of the downtown San Francisco landscape; this might include state of the art, sustainable infrastructure for the public works department, or coworking spaces, or local non-profits that are changing the way collaboration occurs. All of the aspects of the tour, the respondent noted, attempt to paint a picture for business leaders, policy makers, and budding entrepreneurs, on how the local culture within San Francisco has evolved certain processes that are changing the way government, business and the ‘third sector,’ work together to innovate. What these tour goes process during a tour of this nature is the reality and the potential for urban generation, and how that can inspire development in their own business, or in their own city or country. The concept of the ‘smart city,’ intra and inter-city collaborations, and the growth of urban prototyping is one large piece of how business travel and tourism processes are evolving with business itself; the evolution of a distinct business tourism and travel sector observed during the course of this research.

## **CHAPTER 4 AN EVOLUTION OF TRAVEL AND TOURISM**

### **4.1 Prototype tourism – An Introduction**

This portion of the paper will attempt to express what was observed under the perceived field of ‘prototype tourism’ in the San Francisco Bay Area. The culmination of the analysis portion (‘theoretical codes’) of this research is covered throughout chapters 4 and 5. Prototype tourism, a term that I coined during the analysis and grounding of this theory, diverges from traditional business travel and tourism. I felt it necessary to explicitly distinguish between processes and characteristics that have been occurring for some time now around innovation type travel, and physically relocating for business purposes. The distinction and the *need* to distinguish will become apparent throughout this chapter and the succeeding chapters. By no means am I arguing that these are the sole processes that constitute this emerging field of business travel, but these were the prominent occurrences during the five-month observation phase. As we will see, the events and

developments I explain in this chapter evolve out of the culture of innovation described in the previous portion of the paper, which is at the heart of Stamboulis and Skayannis' (2003) argument that differentiation for tourism destinations lies in the ability to use local knowledge and culture to create and innovate around 'new tourism.'

**Prototype tourism:** An emerging form of business travel and tourism that accentuates hands on innovation processes. The field represents a growing number of developments, experiences, and events that emphasize the piloting/testing/prototyping of: Collaboration and teamwork, design, research, communication, networking, the training of soft and hard skills, foresight, creativity, and the uncovering of trends, all within a specific social-cultural location and context. Though the field rests within the boundaries of creative tourism and serious leisure, the explicit benefits associated with prototype tourism are directed at honing skills and knowledge that will ultimately be used to pursue a career, create a product or service, or start a company. Because not all participants are motivated by traditional business purposes, there is a real allusion to pre-existing creative tourism products within the field of prototype tourism.

#### **4.2 Black Rock City, San Francisco, California**

As quickly as the majestic Sierra Nevada's of northeast California meld in to the western boundary of Nevada, the basin of the Black Rock Desert appears. The desert basin, despite its geographic classification, is an unforgiving and barren space, barren except for the city of Black Rock. Black Rock City has become an internationally known destination for travelers, adventurers, hippies, business people, artists, and the unidentifiable. Despite its worldwide reputation, Black Rock City exists for merely two weeks out of the entire year. For two weeks, pilgrims drive, fly and traverse their way to this desolate local for community building, art, drugs, sex, food, style, technology, music and everything else, all at once – they come for The Burning Man festival. (Burningman.com, 2012)

'La playa,' the Spanish word for 'beach,' is the name given to Black Rock City by those who visit; perhaps because the barren desert represents a never ending beach, or perhaps because the Burning Man festival traces its roots to the beaches of San Francisco. From 1985 until 1990 Burning Man was held on Baker Beach – a strip of sand stretching toward the west-facing expanse of the Golden Gate Bridge, just outside of San Francisco's Presidio Park. It is little surprise then, that the processes that are documented in this research very closely mirror what the burning effigy represents – A large population of tourists, inhabiting a space defined by very specific characteristics, in order to experiment on many different facets of life, ultimately looking to introduce new ways of doing things.

The connection between the entrepreneurial processes of the San Francisco Bay Area and 'la playa' is absolutely 'not a stretch,' one respondent noted. Actually, companies in and around San Francisco have come to understand Burning Man as a highly valuable experience for its employees,

rather than a ‘drug induced orgy.’ In a discussion on the development of social ventures and social entrepreneurship in the San Francisco Bay Area, one interviewee stated, ‘I don't want to overstate it's influence, but I think that Burning Man has had a big influence... all the top guys at *Google* go to Burning Man... people are challenging them, saying you have power, what are you going to do with it’ (Interviews, 2013)? This is an extremely telling statement that conveys the power of the festival, and the type of dialogue that has developed around technology, business, and society. *Google*, *Facebook*, and even foreign dignitaries were all represented at the 2012 edition, which highlights the type of draw and influence the festival has (Interviews, 2013).

What is extremely telling for the purpose of this paper is that the extreme conditions of Burning Man, and the unconventional approach toward societal development, has become an ideal space for the **experimentation** around new technologies, art, relationships, societal norms, currency and even business. Black Rock City represents one of the first vibrant examples of people traveling to a specific location due to the cultural nuances of the space, in order to pilot, test and prototype ideas, skills and even products. One of the mantras of Burning Man is that everyone must participate in Burning Man; there are no spectators. Co-production, and co-consumption are the essence of what makes Burning Man Burning Man, and has thus revolutionized the nature of the tourism experience, where the destination, in and of itself, is a creative tourism product. One interviewee interestingly noted that Burning Man was starting to become ‘touristy,’ which clearly connotes the fact that people who have been to Burning Man before identify themselves as ‘locals’ of the northern Nevada desert, despite the fact that every individual that makes up Black Rock City during those two weeks is, in effect, a tourist. Clearly though, this respondent was referring to the ‘feel’ of tourism, which is a sure fire sign that the authenticity of the space was threatened. Certainly this infringement on culture is reminiscent of the commoditization of culture that ultimately led to the development of creative tourism. During these two weeks there is an unbelievable intersection of creativity, individuality, community, innovation, culture, experimentation, and the one thing that ties it all together – travel.

Burning Man represents a space that has been allowed to flourish through the creativity and energy of those not permitted this freedom within a traditional urban environment. Perhaps to some, Black Rock City has come to represent a utopian dogma that is accessible to a select few individuals that can afford the experience, but for the purpose of this research, it has come to represent the potential of allowing what Joi Ito recommends cities must do to truly innovate: ‘Find your own weirdos, and figure out how to amplify them’ (Tischler, 2013). The term ‘weirdos’ underlines that the inspiration for innovation is often times grounded in the most bizarre and unusual processes in a destination, processes that often times are fueling the flames of all things new. This came to light in one respondent's discussion concerning the basis for creativity and its influence on innovation in the San Francisco Bay Area (Interviews, 2013):

The most publicly visible parts of that ecosystem are important, but so are the stuff you never hear about. The people running illegal circuses... those people are part of the

ecosystem. They are as important to *Google*, as *Google Maps* is because those people are inspiring engineers. Sometimes they are the engineers. That's where people meet, and things come out of that.

Again, the use of the word ecosystem punctuates the distinct nature of a specific destination, and within the environment of the San Francisco Bay Area, these processes are occurring, and they are inspiring a wide range of new products.

### 4.3 Hackathons

In his 1984 book, *Hackers*, Steven Levy outlines the ideological framework for what it means to be a '**hacker**' in 6 tenants: '1. Access to computers, 2. Free information 3. Mistrust authority, 4. Quality of hacking is the only thing judged 5. Art can be created on a computer 6. Computers can create positive change.' Despite these very altruistic ideals, the term hacker has a slightly negative connotation, which one respondent describes is a result of certain hacking groups throughout the 1990s and up until today. '**Hacking** was seen as this nefarious tactic that cult people did to break in to new systems, but the word hacking has a much more general meaning, which is basically **tinkering**; somebody seeing something and manipulating it, or altering it to produce a certain effect' (Interviews, 2013). Thomas (2002) verifies that the media has largely manufactured this unlawful reputation through a gross misunderstanding of the culture of hacking.

One of the earliest hacker groups in the San Francisco Bay Area was known, now famously, as the Homebrew Computer Club. What began in a Silicon Valley garage in 1975, ultimately spawned in to one of the most influential innovations and companies of the last century – the personal computer and Apple Computers. The hacker culture, and the community that it constituted became slightly torn once those who propagated a culture of sharing, and democratization of knowledge and technology during the 1960s were the ones who profited most off the commoditization of the field (Thomas, 2002). There are still many, however, who create based on Levy's (1984) six 'hacking tenants,' and those cultural nuances continue to inspire processes to this day. One of those processes is what many in the San Francisco Bay Area call a **hackathon**.

Hackathons represent a renaissance of the once proud hacker culture, which was dedicated to the dissemination of ideas, information and technology – for free. One respondents comment conjures up ideas described by the early hackers: 'We're kind of proponents of open-source philosophy, where you would take that code and open it up for somebody else to use it freely. So our hackathons mostly turn out creative ideas that could be expanded upon later, because the code is there and available' (Interviews, 2013). Specifically, a hackathon constitutes several specific characteristics: a specific topic, a specified time period ranging from 24 to 72 hours, technology, code writing, collaboration amongst a broad set of skill sets, and ideation and iteration around a new concept, new product, and/or new experience. 'You end up with, you know, 20 to 50 new ideas that never would have seen the light of day otherwise' (Interview, 2013). What was originally an

assembly of hackers (hack) within an existing company, turned in to an intra-company sponsored event of a specified length (marathon), in order to freely develop preexisting code for that company. Essentially, companies were giving free reign to the readily accessible, smart and creative individuals that were already employed in order to come up with unique, innovative products. The process is very similar to what companies like *Google* are now duplicating, where they allow ‘free’ time everyday to allow their workers to collaborate around potential, new products. *Google Mail (Gmail)* supposedly, was generated from this collaborative, brainstorming period.

What is more, hackathons represent a growing field of events that emphasize creating in a given amount of **time**, a process that accelerates the occurrence of failure. Whether that is a 48 hour film project, a start-up company weekend, a 48 hour magazine, or a 48 hour music video race, there are a number of events that are developing around the rapid prototyping model. As discussed in the topic of the culture of innovation of San Francisco, failure is accepted as a given facet of the innovation process. Again, what is necessary for the acceptance of failure is a culture of acceptance; hackathons are developing in the San Francisco Bay Area because people are used to creating in a space that lacks heavy judgment. The time and the space create an environment for cross-fertilization, unique solutions, and failure. Through simulated ‘learning by doing’ environments, it is possible to accelerate the pace of iteration through exposure to difficult circumstances that may arise less frequently in real world situations. This will inevitably accelerate the rate of failure and, if motivation is sustained, the rate of learning as well (Schank & Neaman, 2001). There is a distinct difference here than what Tan et al. (2013) find, where tourists are seeking ‘safe’ activities with controlled risk, within a designed creative experience. Perhaps this is a comment on the culture that was observed in the study (Taiwan), but more importantly, it notes that the creative experience in tourism is already within the confines of a ‘safe’ constructed environment. One hackathon participant, for example, noted that it was her first time participating, and that there was a bit of hesitation present because of the novelty of the event, and her uncertainty about the processes of the event – in other words this type of tourism product shows a distinct difference from the creative tourism offerings already occurring throughout the tourism landscape.

One respondent compared these types of events to something called the ‘Power Tool Drag Races’ (Interviews, 2013). This was a series of events that originated in a junkyard in San Francisco, and was a result of an incredibly diverse set of friends and acquaintances. The event was about constructing a drag racing machine that originated from the parts of power tools, so that they could ultimately be raced in a competition setting. This, the interviewee pointed out, is a distinct environment where people with diverse backgrounds in engineering, designing, and junkyard ownership were allowed to come together and create an event that celebrated their unique collection of skills. This diversity, again, is something that has been discussed about the culture of innovation in the San Francisco Bay Area, and something that is highly visible in an event like a hackathon.

One thing that is immediately apparent about hackathons is the diversity of hacks that are occurring, from new forms of currency and urban crime to film and data management, and even tourism. This

diversity of hackathons offered in the Bay Area makes it *the* location to participate in such an event. In one interview, a hackathon coordinator noted that people are traveling from a large portion of the United States to take part in events that cannot be found anywhere else. One such event, titled ‘Discover San Francisco,’ brought together local government officials, local tourism experts, entrepreneurs, developers and designers to ‘hack’ available spatial data in order to develop and prototype a product that better facilitated destination exploration. The hack was meant to answer the tourist questions of ‘what to do’ and ‘where to go?’ (DiscoverSF, 2013)

By making any event 24, 48 or 72 hours, the event has established itself within a specific market. This was made clear by one respondent in particular who said, ‘I don’t have a place in a hackathon. I have never been to one... I’m 44 years old, I’m married and I like to sleep until 11:30’ (Interviews, 2013). Essentially, the hackathon, and events like it represent a very distinct meeting point of two worlds; one of the busy working professional, and one of the inexperienced novice seeking certain abilities and real world practical skills, as well as a forum to be creative and innovative. The hackathon, in this sense, also represents a fusion of leisure and professional development. What makes hackathons, and events like it, crucial in the grounding of this theory, is that it clearly represents the ‘meta space’ between the tourism associated purely around the processes of business, and the leisurely products connected with serious leisure and creative tourism. What is unique about the hackathon is that serious professionals do actually participate in these events in order to develop the products and services they hope will eventually become profitable, replicable and scaleable. One interviewee claimed that hackathons are ‘all business, in my mind, and that is not to say that every person who goes to a hackathon is thinking about professional opportunities’ (Interviews, 2013). What this also reveals about such events is that they are mostly designed to provide the impetus for anyone to simply create, whether that results in a viable product or not is not necessarily important, but it provides space for people to produce quality work and share that with others. What is certain, however, is that the people participating in such experiences do develop skills, do learn and share knowledge, and do expand their network of friends and colleagues.

‘Really great code is pointless, if you don’t have a purpose. And purpose comes from a vision and point of view’ (Interviews, 2013). This respondent is overtly explaining that the potential for a hackathon to be more dynamic and useful is there. His point represents what destinations can use hackathons for, which is to bring well-rounded, creative, skilled people around a specific topic that is relevant for a distinct cultural, social and environmental context. This, in fact, is already happening in the San Francisco Bay Area; for example, civic hack nights are regularly held in the city of Oakland. The city of San Francisco has identified the potential in such processes as well, and has even evolved the methodology to create what they call a ‘data jam’ to innovate around public services. One interviewee described this as ‘the next generation of hackathons,’ where after the initial ‘hacking’ time frame, a 90-day period of redevelopment and mentorship ensues to help ensure the creation of more viable, realistic solutions not necessarily found in a 24-hour hackathon (Interviews, 2013).

The hackathon is part of a greater ‘hacker space,’ metaphorically and literally. A hacker space is a physical location that allows, again, a broad range of skill sets to share, collaborate, create, research, develop, mentor and learn. These hacker spaces provide the physical and metaphorical tools to experiment with a broad range of ideas. Often times the hacker space is under the broad field of technology, science, and art, very much like the original hacker groups. The hacker space also represents a general field and ideology. One hacker space located in the middle of San Francisco explains that it is ‘more than a physical space, it's a community with roots extending around the world. For we're excellent to each other here. We rarely ever block. We value tools over pre-emptive rules. And spurn the key and the lock... We make stuff. So can you’ (Noisebridge.net, 2013). What is more, many of these hacker spaces are being utilized as an avenue to pilot and test the early stages of a new product, new technology, or a new service. In a discussion with one hacker space in particular, it was said that most of the participants are prototyping ‘one off’ models to eventually hone and scale for production. Several local San Francisco products that I came across during the data collection had seen their entire prototyping period done in one of these spaces. The principles and philosophy behind the hacker culture and hacker spaces, and the emergence of the hackathon as an institutionalized event in the San Francisco Bay Area have evolved around this new form of business travel discussed with urban prototyping, a travel that is intimately linked to other entrepreneurial processes occurring now.

#### **4.4 Entrepreneurship and social innovation**

As in any other cultural process, environment plays a heavy role in the development of the form; entrepreneurship is no different. In the environment of the San Francisco Bay Area, and ultimately the rest of the ‘western world,’ there has been a great shift in how consumers perceive corporate social responsibility, for example. In one study, 94% of those polled were ‘likely to switch brands to one that supports a cause if both brands are similar in price and quality’ (Conecom.com, 2011). The same study found that if respondents were provided the opportunity, 93% would buy a product associated with a particular cause. Though there is a good chance these results have been exposed to response bias, it indicates a shift in values, and understanding of what it means to consume the ‘right way.’ From this consciousness has stemmed an entire field of entrepreneurship dedicated to putting mission driven, and socially inspired organizations at the forefront of business.

Short et al. (2009) discuss the incongruity when it comes to defining the nature of a social venture, and social entrepreneurial bodies. For the sake of this paper, the approach toward a social entrepreneur is one who lives within the entrepreneur system, but who aims at achieving social goals (Certo & Miller, 2008). The definition that will be the basis for this discussion was developed by James Austin and his colleagues, where social entrepreneurship is an ‘innovative, social value creating activity that can occur within or across the nonprofit, business, or government sectors’ (2006, p. 2).

Austin et al. (2006) discuss the existence of social ventures as they exist on a continuum, from absolutely economic to social. Though many of the characteristics of social and commercial ventures are similar, there are several key differences between the two; importantly, ‘mobilizing human and financial resources for social entrepreneurship is an extremely onerous task’ (Austin et al. 2006, p. 17). The last part of their article raises several possibilities for the future of social entrepreneurship research, including, ‘What are the key drivers of the philanthropic capital markets?’ ‘What have been the effects and effectiveness of applying the venture-capital approach to social entrepreneurship?’ ‘What are the motivational constructs of social entrepreneurs and how do they compare with commercial entrepreneurs?’ ‘How do contextual forces shape opportunity creation for social entrepreneurship?’ ‘How do country or community contextual differences change these forces?’ and ‘Which contextual forces foster social innovation and entrepreneurship?’ (Austin et al., 2006, p. 19)

The structure of organizations devoted to social ventures has also evolved out of the innovative development of business. A **hybrid organization**, for example, represents a kind of mantra or an evolution of business values. Haigh and Hoffman (2012, p. 133) conclude that ‘hybrid organizations are experimenting with ways to combine businesses’ industrial and innovation strengths to become a potent means to effect change.’ These authors go on to define the hybrid organization (also known as ‘Fourth Sector, L3C, Blended Value, For-Benefit, Values Driven, Mission Driven, Benefit Corporation,’ among others) and its three distinct qualities (Haigh & Hoffman, 2012, p. 126-127):

A. The business model is configured to address explicit social/environmental issues; organizational slack and the business case are secondary. B. Relationships with suppliers, employees and customers are based on mutual benefit and sustainability outcomes. Costs are considered but only after social and environmental outcomes are met. C. Industry activity is premised on creating markets for hybrid goods and services, competing successfully with traditional companies, and altering industry standards to serve both the company and the condition of the social and environmental contexts in which they operate

The emergence of hybrid organizations is something that was prevalent in the data collection period, and something that has validated what Haigh and Hoffman (2012) describe. Cross-pollination among public and private, non-profit and for-profit organizations has, at least partially, resulted in more ‘meaning making relationships,’ stronger organizational ideals, and leadership that focuses on sustainability (Haigh & Hoffman, 2012).

Though there is always the lingering of social entrepreneurship, social impact and ecological impact in discussions within the San Francisco Bay Area, there certainly appears to be a great deal of placating going on around the topic. What is often referred to as ‘green washing’ also takes place in the language that is used around social ‘good,’ and entrepreneurial processes of the Silicon Valley. In one interview, a respondent noted that many of the trends around what Eric Ries calls a ‘lean

startup' is highly lacking the social, cultural and environmental components that are vital for social entrepreneurship (Interviews, 2013). Though Eric Ries is certainly not solely responsible for this type of development, his concepts are indicative of the fanfare around scaling and the entrepreneurial 'rock star' effect that is ubiquitous in the Silicon Valley. This, Wei-Skillern and Marciano (2008) discuss, is absolutely unconstructive for tackling complex social issues.

Tourism has also been incorporated in to the expansion of social ventures and social innovation; often times it is setting the agenda for policy for local-level, community development, especially within developing nations (Jamal & Getz, 1995; Mowforth & Munt, 2009). One project in particular focused on innovations around service design in the creation of a creative tourism product for craftswomen in Namibia. Miettinen (2009) describes how that process in Namibia effectively utilized prototyping through scenario building and role-playing to help design the experience between travelers and their craftswomen hosts. An iconic example of innovation in tourism with a focus on sustainability is the canopy walk that was introduced in Taman Negara National Park in Malaysia, which is a model that has been replicated around the developing and developed world.

Manzini (2009) discusses how shifting trends in the economy are leaning toward more contextual, service centric solutions, thus challenging the traditional roles of production, consumption, and ultimately design. Design's role, specifically will be discussed further in chapter 4.7. What is implicit in Manzini's thought is that this new economy, and especially those processes around social innovation, will be spurred by the empowerment of creative people. Social innovation, Manzini (2009) argues, has tremendous potential to disrupt the world in a positive manner, but that processes associated with this change need to be better facilitated. The spurring of change making processes, especially around business and economic development has started to take shape, not only in the San Francisco Bay Area, but also around the world. One of these developments is around the idea of an incubation space.

#### **4.5 Incubation and coworking spaces**

The literature's first reference to coworking space came four years after the first appearance of the community working spaces (Jones et al., 2009). In their book, Jones et al. (2009) credit Brad Neuberg as the first curator of community office space back in 2005 – Brad's original coworking space, *Spiral Muse*, was housed in the Mission District of San Francisco. The original website is still up today for 'historical reasons' (codingparadise.org, 2005) and offers some insight in to the original motivations behind a communal coworking space. The pictures and description of the traditional San Francisco Victorian house emphasize the ambience, the tranquility, the light, the amenities, the community, the relationships and the freedom that a member could potentially experience. The space is advertised as a non-profit cooperative, and as a substitute to working from a coffee shop.

In his attempt to define a coworking space from the perspective of users and proprietors, Spinuzzi

(2012) describes them as office spaces, social spaces, collaboration spaces, spaces ‘to get work done’ or even an ‘unoffice.’ These spaces are inhabited by free-lancers, entrepreneurs, consultants, small-business owners, permanent employees, mothers and father entrepreneurs, as well as ‘Gen-X business travelers;’ often times, the audience is a result of the proprietors expectations for the space. Motivations highlighted were community, inspiration, an environment conducive to working, comfort, flexibility (hours), collaboration, interaction, learning, and the promise of future business partners (Spinuzzi, 2012). One thing that was ubiquitous in Spinuzzi’s (2012) findings is that the meaning of the space was constantly disagreed upon amongst coworkers and curators, perhaps highlighting the utility associated with such spaces.

In this socially constructed space, Engestrom (2009) argues that hubs like coworking spaces (and, as we will see, incubators and accelerators) are designed to facilitate intense collaboration within itself, and amongst a network. One thing to note, however, is that Spinuzzi’s work was done in Austin, Texas and thus, again, brings to light the issue of context and relativism; for example, one coworking space featured in San Francisco has offices in 30 locations around the world, from San Francisco to Seoul - Each space is occupied by local **startups**, companies and entrepreneurs that have been molded by the culture and the society where they reside. Spinuzzi (2012) says that coworking fits well in to a theory of activity, but being that coworking spaces are hubs, they represent a node in a greater ecosystem and network. This can be seen with coworking spaces intimate connection to, and often parallel development with, incubators and accelerators.

The incubation space in the startup and entrepreneurial setting is very much analogous to the hospital apparatus that bares its name; essentially, designed and crafted spaces meant to facilitate a specific environment for the nurturing and growth of a young and undeveloped organism. The National Business Incubation Association (NBIA.org, 2009) of America defines incubation processes as those that promote the ‘development of start-up and fledgling companies by providing entrepreneurs with an array of targeted resources and services.... Critical to the definition of an incubator is the provision of management guidance, technical assistance and consulting tailored to young growing companies.’ Incubators range from profit to non-profit, from green tech to food, and from North to South America. By 2006, in the United States alone, there were 11 hundred business incubators (Knopp, 2007). Knopp (2007) found that business incubators in North America worked with nearly 27,000 startup companies, thus creating 100,000 jobs, with revenue of \$17 billion dollars. Among those, as Smilor (1987) accurately notes, most are incubation spaces which only accept technology startups (39%), where as 54% are for mix use. The others cater to more specific needs; for example, one in San Francisco is a kitchen incubator designed to help underserved members of the community to grow their food business (lacocinasf.org, 2013). There has even been intense growth around incubation spaces with very honed foci; this was highlighted in an article titled *Need to grow your EdTech Startup? Edtech incubators are popping up everywhere* (Wan, 2013).

A prominent incubator in Silicon Valley, *Y Combinator*, offers fantastic insight in to the nature of an incubation period. Two times a year, *Y Combinator* invests seed funding, and 3 months to a batch of young companies. The main objective in those three months is ideation. According to their website, the *Y Combinator's* goal is to provide a supple environment for startups to fully grasp the potential of their initial mission through idea generation, and planning. Another key for the startups, the website highlights, is access to support and funding networks; not only access, but the coaching needed to prepare entrepreneurs to pitch their idea, and facilitate relationships with potential investors. Access to an alumni network is also greatly propagated on the website. This incubation program, specifically, makes startups move to the San Francisco Bay Area for three months, thus making them tourists in the space.

Along the lines of an incubator, are programs referred to as accelerators. The accelerator plays a similar role as an incubator in the growth of startups, but mostly accepting businesses that are slightly further along in the development process; for example, having already acquired seed-funding. Coleman and Deucher (2012) define accelerators as environments for ‘startups on the cusp of rapid growth... they provide participating companies with a workspace, extensive startup services, and **networking** opportunities with angel investors, venture capitalists, lawyers, and leaders of Fortune 1000 companies.’ The San Francisco accelerator that is responsible for the shoe company Zappos.com describes itself ‘an accelerator for high-growth, seed-funded tech startups. We provide the fuel that every startup needs to accelerate: access to top talent, tier 1 venture capital, and blue-chip brands representing millions of potential customers’ (Rocket-space.com). Accelerators, incubators and coworking spaces, as expressed in Table 3, represent a growing trend in the entrepreneurial community, but they also are having a massive influence on the development of innovation hubs around the world, as well as the communication that is occurring among those hubs.

Table 3. Coworking Spaces, Incubators, and Accelerators

Coworking Spaces	Incubators	Accelerators
+ Shared office space	+ Seed funding	+ Post Incubator
+ Shared resources	+ Mentorship program	+ Highly selective
+ On-site events	+ Defined program length	+ Shared office space
+ Limited Services	+ Competitive application	+ Shared resources
+ Cost: Monthly Fee	process	+ Extensive on-site service: Events, workshops, etc.
	+ Graduation/demo day	
	+ Cost: Equity	+ Cost: Monthly fee or Equity

Source: Coleman & Deucher, *Surveying the incubator and accelerator landscape*, 2012

A unique caveat that has spun off of the coworking space, and something that is highly relevant for the propagation of prototype tourism is what has been referred to as a soft landing incubator. Soft

landing sites, like their name implies, is a sort of temporary physical location for countries in a foreign destination; literally, they are international hubs. These spaces, in particular, provide a point of exchange between the ‘guest’ country and the ‘host’ country. Mostly, these sites are responsible for facilitating the flow of people, ideas and relationships through student tours, incubation periods for startups, research projects, academia, and a wide range of events, among others.

These ‘national incubators’ have become ever-present in the San Francisco Bay Area, and for good reason. One example is very telling, and represents the importance of greater San Francisco in the global innovation scene. *Startup Brasil*, an incubation program run by the Brazilian government throughout the country, has a page on their website promoting ‘international hubs;’ however, the entire page is dedicated to the importance of obtaining *one* hub – a soft landing presence in the Silicon Valley.

The first action of International Hubs connected to the TI Maior will start with the Start-UP Brasil program, and it will focus on Silicon Valley, in the USA. As a manner of institutionalizing Brazil’s presence in Silicon Valley, the Start-UP Brasil program will establish a presence point in Silicon Valley (California/USA), thus following the successful experiences of countries such as Chile, Austria, Switzerland and India. These countries have established government presence points, in partnership with the private sector, to support companies achieve international status, investments and entrepreneurial improvement.

Startup Brazil cites 4 reasons for its desire to have a physical presence in the Silicon Valley: Business creation, institutional relationships and intelligence, attraction of investment and governance. (Startupbrasil.mctim.gov.br)

What the entrepreneurial community is now seeing is a sort of by-product of the soft landing site; a domestic national incubator, perhaps none better known than the one happening in Santiago de Chile. Frequently throughout the collection of data the words *start-up Chile* were used in conversations around travel and entrepreneurship. Numerous times during the research, the country accelerator was explicitly mentioned in the discussion around Silicon Valley’s link to the greater entrepreneurial community. I am, as any researcher, a victim of my own homophily, and prone to selection bias; however, at no point in my time in San Francisco did I ever hear the words *visit Chile* come out of any interaction I had within this diverse setting; in a city, mind you, that has a very high standard of living, comprised of people who have considerable travel opportunities. In my experience, *Start-up Chile* has essentially supplanted the Chilean destination marketing organization (DMO) in the San Francisco Bay Area. This sentiment was echoed by one respondent (Interviews, 2013).

And then they have gotten tons of media, so just the awareness that people have of the program has been really powerful. I meet people all the time that have heard of *Start-up Chile*... I think in that sense, that is really achieving their goals, and they really want to

create Chile as a place for people to... see it as a good place to do business. So one of their main goals is creating connections internationally, so the fact that people are there, and then leave is kind of what they want.

*Start-up Chile*, in many circles, has become the image of the country, and has sparked a great deal of interest, not only in an entrepreneurial context, but in a general leisure travel context as well. As clusters have the potential to evolve the way destinations develop and market their tourism and travel offerings, *Start-up Chile* has shown that innovation, in and of itself, can be the basis for the way destinations (not named Silicon Valley) can maximize travel and visitors.

What is more, *Start-up Chile* has advanced the way travel can contribute to the dissemination of resources in a country. As many developing countries in Latin America and globally are faced with the challenge of massive agglomeration around a single city (e.g., Santiago de Chile), they are constantly piloting ideas around the growth of secondary destinations. Often times developing countries resort to volunteer tourism, and similar offerings as a means to inject outside aid, influence, and development in to the marginalized portions of the economy, but *Start-up Chile* has provided a replicable early model for ways to make this development much more dynamic. For example, the organization provides incentive for foreign entrepreneurs to develop projects, events and tours outside of Santiago.

In theory, Gonder (2012) notes that projects like *Start-Up Chile* may foster the import of talent to developing economies, at least for a period of time, as well as foster a global network of entrepreneurs; this has, and will continue to be through physical, travel exchange from one hub to another. An important point from Gonder (2012, p. 30) on the development of *Start-Up Chile* is that it applied a theory of innovation from the Silicon Valley, without trying to replicate Silicon Valley. 'Once the international and open-minded culture had been established within the program, *Start-Up Chile* opened its doors to Chilean residents to speed up the transformation of the country's entrepreneurial culture, planting roots domestically to allow for organic change.'

The *Start-up Chile* model has proven to be a project worth investing in, and has thus spawned copycats. One mentioned earlier started in 2013 by the Brazilian government, where both local and international entrepreneurs are being invited to apply for a program of mentoring and investment that will distribute \$20 million through 2014. In the program's first year, 100 companies will be selected. The Brazilian government expects that 25% of the startups will be founded by international entrepreneurs who are based in Brasil (Cutler, 2013). Like *Start-up Chile*, the Brazilian program lasts 6 months to a year

What incubation spaces, soft landing sites and developments like *Start-Up Chile* allude to is the breadth of the international entrepreneurship community, and the great potential of this network. This is emphasized in Hersman's (2012) piece on the growth of tech entrepreneurs in Africa. Several projects like the iHub – a coworking space, the m:lab – a mobile phone incubator, and Pivot East – an entrepreneurship competition, are taking place in cities like Nairobi, Lagos, Accra, Cape

Town, Cairo and Dakar. Nairobi in particular, Hersman (2012, p. 60) argues, has recently become a strong center for ‘quality programmers, universities, technology corporations, and a government focused on information and communications technology (ICT) growth.’ M:labs, for instance, is made up of a sort of hybrid consortium: The iHub in Nairobi, World Wide Web Foundation, Emobilis and the University of Nairobi (Pivoteast.com, 2013).

In collaboration with the iHub, the UX Lab cluster was created to address issues that local entrepreneurs face. Hersman (2012) notes that one of the limitations of African software developers is product design, and a lack of user experience, so the space has been designed to resolve this shortcoming. Out of iHub also stemmed Pivot East, which according to the website are ‘East Africa’s premier mobile startups pitching competitions held annually since 2011. It is an m:lab East Africa initiative to amplify and consolidate the gains of East Africa’s Mobile developer and entrepreneurship ecosystem.’ What is more, the biggest challenge for African entrepreneurs and startups, Hersman (2012) argues, is finding seed and long term funding. This, he claims, is a general misunderstanding and lack of knowledge by local investors, as well as international investors about the innovation space, and the local cultural context. In May 2012, the Savannah Fund – a Silicon Valley style accelerator was created to increase opportunity in the startup space throughout Africa. Hersman (2012, p. 67) points to, not only a future where contextualized, localized solutions dominate African startups, but also where ‘the West would benefit from being more like Africa.’

What is telling about the developments in Nairobi is that it may actually indicate a shifting trend in the global innovation community. In an attempt to better understand global sources of innovation, the market research organization, Nielsen, observed 175,000 new product concepts across 73 countries from 1978 to 2013 (Russo, 2013). What Nielsen found was that certain emerging markets exhibit defining characteristics that have partially dictated innovation in those spaces; for example, the sub-Saharan markets are ‘the most vocal globally about new product experiences. Sixty-seven percent say they're likely to tell others about the new products they purchase, compared with 59 percent globally’ (Russo, 2013). The research concludes that sub-Saharan countries like Kenya, as well as Mexico, Brazil, India, have become more significant destinations for the creation of services and products. The research by Nielsen, and the discussion around localized, contextual business environments, appears to represent an emphasis on **regional specialization** – a topic that has been a focus of discussion in the business literature for some time.

#### **4.6 Clusters – Redefining the destination**

The benefits a firm reaps from proximity and connection to other similar ventures has been discussed most notably by Porter (1990) in his highly influential work *The Competitive Advantage of Nations*. Porter describes this as a group of industries connected by specialized buyer-supplier relationships or related by technologies or skills; more than that, it is a new way to think about how economic development could potentially unfold. Porter refers to this geographic concentration of

interconnected firms as a cluster. Well-known examples include computers and high-technology electronics (Silicon Valley), irrigation equipment, advanced agricultural technologies (Israel), environmental (Finland), and even tourism (Costa del Sol, Spain) (Pappalepore, 2010; Porter, 1998). Clusters also include the public sector, as well as what one respondent referred to as the third sector, or universities, think tanks, philanthropists, and other supporting organizations (Interviews, 2013).

According to Ormerod et al. (2006, p. 31) the cluster is still the most efficient place in which a firm of the relevant type can locate, and ‘there is so far no evidence that allows an estimate of the density at which agglomeration effects would tail off and crowding costs would outweigh such benefits.’ Porter (1998) supports the argument of cluster development by claiming that innovation and development are innate in the idea of a cluster; the cluster facilitates the conditions and motivations to evolve. For the sake of tourism, there needs to be a distinction made between clusters of tourism firms and services, and the potential clusters have in the development of a destination.

Porter’s geographic understanding of a cluster has set the boundaries [sic] for what has, and could potentially define a tourism destination. Porter (2000, p. 254) states that ‘the geographic scope of a cluster can range from a single city or state to a country or even a group of neighboring countries.’ Martin and Sunley (2003) note that in a cluster there are no clearly defined parameters to the way in which ties are created, in which knowledge is shared, or how they are geographically formed. In that lie the inherent risks and possibilities for a destination that seeks to take advantage of clusters. If a city, or region can find value in collaborating around a cluster, destination marketing organizations and the way they are funded and run could face a dynamic shift. The impetus around innovation and creating financially, culturally and socially viable destinations could potentially hinge on the ability of regions to take advantage of local strengths.

Fernando and Long’s (2012) review of the literature emphasizes the growing concern for tourism destinations seeking a competitive advantage. Crouch and Ritchie (1999), for example, discuss how the comparative advantage of a destination, or the man made and natural factors associated with a specific destination, are there to be exploited by the destination for a competitive advantage. The key there is the *ability* of the destination to actually exploit said comparative advantages within the greater global context of movements and trends (Poon, 2010). Adding to Crouch and Ritchie (1999), Dwyer and Kim (2003) note that the advantage of destinations is built on endowed resources (natural and heritage) and supporting resources. Fernando and Long (2012, p. 82) conclude that:

Competitive advantage in tourism is no longer natural, but increasingly man-made, driven by information technology and innovation, as such it is not simply the stock of natural resources that will determine its share in the tourism market, but how they are managed and integrated with other competencies to create the competitive advantage for the destination.

In essence, the authors of this quote are reciting what has been said by Hospers et al. (2009) and Lerner (2009), that the economic, cultural, social and environmental success of a destination will come down to the proper management and exploitation of what a place already does comparatively well. The presence of a cluster could very easily represent this comparative advantage.

If Jackson and Murphy (2002) are accurate in their argument that Porter's (1998) cluster theory is apt for the tourism industry in particular, what then defines a tourism cluster? Clearly, a tourism cluster in a destination has a bounded geographic space (Capone, 2004; Novelli et al., 2006). As any cluster, there is a level of connectedness, collaboration and cooperation among institutions that are built and sustained on social capital (Brown and Geddes, 2007; Jackson & Murphy, 2002; Novelli et al., 2006; Porter, 1998). As the tourism sector is, in and of itself, an expansive collection of services and products, so too is the tourism cluster, which encompasses accommodation, transportation, guides, catering and a number of related activities and services (Ferreira, 2003). Law and Wöber (2002) assert that within a destination the tourism industry constitutes an industrial cluster by its very nature, thus benefiting from agglomeration advantages; this is especially true for urban destinations. Brown and Geddes (2007) argue that the public sector, especially, should be active in promoting and propagating the development of the tourism cluster product.

Swan and Prevezer (1996) state that clusters are simply groups of companies within an industry in a given geographical area. Furthermore, clusters are a striking feature of virtually every national, regional, state, and even metropolitan economy (Porter, 1998). Porter, as well as Swan and Prevezer's discussion here head great insight in to the potential and possibility for clusters in tourism, specifically. The ability of a destination to capitalize on any form of agglomeration in a given sector could potentially pay great dividends for the competitiveness of a geographical region in attracting tourists. Even on the level of small and medium enterprises, access to clusters and networks has been shown to facilitate innovation and regional development in tourism (Novelli et al., 2006). Though collaborations are occurring around competitive regional advantages, destination marketing organizations and tourism products; for example, the 'Motor Valley' cluster in Italy (Alberti & Giusti, 2012), there is still a lot of potential for this as a model for the future development of clustered tourism development and marketing.

The potential risk with clusters is the lack of foresight by public officials to take advantage of 'genuinely' existing clusters, rather than impose an existing model (replicating Silicon Valley, for example) in to a traditional industry (Hospers et al., 2009; Lerner, 2009). Determining what constitutes an authentic cluster is also something that hinders the public sector's ability to identify what constitutes a competitive advantage in the region (Barkley & Henry, 2001). 'Regional realism' is the term Hospers et al. (2008) use to describe a public sector approach toward cluster growth. The approach stresses facilitation, rather than an imposition of inorganic clusters in a region. Hospers et al. are referring to a cluster policy, but they are also alluding to a general approach by governments to exploit the regional advantage of a destination, often times grounded in the day-to-day culture of the people.

Regional specialization, despite Desrosher’s (2001) argument, does not indicate a lack of local diversity; in skill sets, nor ethnic, or cultural diversity. According to Porter (1998, p. 85) clusters are actually much more dynamic when ‘insights, skills, and technologies from various fields merge, sparking innovation and new businesses.’ Desrosher cites Jacobs’ (1970) argument that regional growth is largely based on local diversity. Clearly, diversity is highly regarded by me (as seen in chapter 2.2.4) and many others as a key to creativity and innovation, however, the ability, quite frankly, for a city like Wichita, Kansas, for example, (in spite of the university there) to attract the diversity that New York City can, is not realistic, nor is it necessarily what the people of Wichita want. Wichita does, however, specialize in light aircraft and farm equipment production (Porter, 1998). The question then becomes, how can Wichita, Kansas realistically incorporate diverse, talented perspectives within existing specializations to maximize the creativity and innovation in those sectors? In Porter’s 1998 article, he highlights prominent clusters throughout the United States; those included that could potentially harness social and civic processes are displayed in the figure below (Table 4. Social Clusters).

Table 4. Social Clusters

<b>Destination</b>	<b>Cluster</b>
Boise, Idaho	Sawmills, Farm machinery
Boston, Massachusetts	Biotechnology, Software and networking, Venture capital
Colorado	Computer-integrated systems and programming, Engineering services, Mining and oil and gas exploration
Detroit, Michigan	Auto equipment and parts
Louisville, Kentucky & Nashville, Tennessee	Hospital Management
Massachusetts (West)	Polymers
Minneapolis, Minnesota	Cardiovascular equipment and services
Oregon	Electrical measuring equipment, Woodworking equipment
Phoenix, Arizona	Semiconductors, Electronic testing labs, Optics
Pittsburgh, Pennsylvania	Advanced materials, Energy
Providence, Rhode Island	Marine equipment
Rochester, New York	Imaging equipment
Seattle, Washington	Aircraft equipment and design, Boat and shipbuilding, Metal fabrication

(continued)

Table 4. Social Clusters

<b>Silicon Valley</b>	<b>Microelectronics, Biotechnology, Venture capital</b>
Southeastern Texas / Louisiana	Chemicals
Warsaw, Indiana	Orthopedic devices
Wichita, Kansas	Light aircraft, farm equipment
Wisconsin/Iowa/Illinois	Agricultural equipment

Source: M. E. Porter, *Clusters and the new economics of competition*, 1998, 77-90

The opportunity exists in these destinations ‘to change the nature of the dialogue between the public and private sectors.’ (Porter, 1998, p. 89). Though Porter notes that individualization and destination specialty should be emphasized over reproduction of other locations, there is much to be learned from what destinations like the San Francisco Bay Area are doing to promote clustered industries. Stimulus from the public sector to facilitate knowledge exchange, develop collaboration, reduce inhibitors (VISA, prototyping costs – licenses, etc.), find new ways to endorse regional advantages and work closely with clusters that is taking shape in San Francisco right now.

#### 4.6.1 San Francisco’s cluster policy

San Francisco’s cluster policy, and the prototyping space that is developing out of it came up on multiple occasions during my data collection, and thus this review has been incorporated in to the analysis of prototype tourism.

Mayor Edwin M. Lee’s CleantechSF initiative has several aims, including the facilitation of testing and prototyping clean technologies with city assets. This means streamlining the process to ‘pilot and evaluate’ companies’ cleantech concepts through legislation and special permits, for example. Another goal is to attract collaborators from institutions outside of San Francisco that are also associated with the cleantech industry; for example, science and engineering universities, research centers, and national laboratories, among others. Lastly, the initiative seeks to assist the development of young cleantech firms through the nurturing of networks and forums for growth. Mayor Lee’s initiative has been inspired by the clustering of cleantech companies as described by Porter (1998) (See Table 4. Social Clusters), and thus is a direct response to San Francisco’s 208 cleantech companies, as well as San Francisco’s designation as the cleantech capital of North America in 2012 by the Cleantech Group. (Office of the Mayor, 2012)

Testing new technologies for the development of startup companies and the growth of existing companies is clearly a driver behind Mayor Lee’s initiative. The ability to pilot projects at the early stages of a start-up is key in getting traction and further funding for a fledgling company, and is thus one of the components of the initiative. Beyond offering a stage for prototyping, the initiative is designed to further develop the cluster network, grow job opportunities in the field, provide

mentorship for testing companies, and create an environment for the growth of the cluster in San Francisco (Barge, 2012). Though not explicitly stated, this policy is also providing great incentive for startups and other individuals seeking to prototype clean tech solutions who are not from San Francisco to travel to the region.

One of the three crucial points the initiative wishes to address is something the city refers to as ‘living innovation zones.’ One respondent said that these particular ‘zones’ were inspired by a previous project based around the idea of Parklets (Interviews, 2013). Parklets are ‘amenities like seating, planting, bike parking, and art’ in designated public spaces that are funded and maintained by local businesses, residents and organizations for the purpose of an ‘aesthetic enhancements to the streetscape’ and ‘an economical solution to the need for increased public open space...’ (Pavement to Parks). Most notably, parklets have ‘institutionalized the process’ for citizens to utilize public space to develop projects with the ultimate goal of finding solutions to civic and social needs; essentially, overcoming the legal and bureaucratic obstacles to rapid urban prototyping. The living innovation zones, like parklets, are the use of ‘city properties, buildings and other public assets to pilot and evaluate a broad-array of innovative new products and design concepts including those from the clean technology sector.’ The Mayor’s office sees the institutionalized process seen with parklets evolving in to legislation that facilitates special zoning and building permits, short term pilot projects, concept demonstrations, and the general restructuring of organizational processes. (Office of the Mayor, 2012)

The CleantechSF initiative is part of a greater publicly driven policy – the Innovation Hub (iHub) program – that attempts to propagate local regional advantages throughout California. According to a brochure published by the office of the Governor of California, the iHubs provide assistance for, as well as foster collaboration and partnerships among, ‘research parks, technology incubators, universities, and federal laboratories to provide an innovation platform for startup companies, economic development organizations, business groups, and venture capitalists’ (California Governor’s Office of Economic Development, 2012). Significantly, the Mission Bay iHub in San Francisco, which was centered solely around the biotechnology cluster in the region, recently expanded its jurisdiction to constitute the entire area of the city, thus providing a venue for, not only high tech and clean tech, but also for fashion and other art mediums, thus opening up the whole urban territory to testing, piloting and collaborative projects aimed at innovation (San Francisco Center for Economic Development, 2013).

Chatterji et al. (2013) argue that the jury is still out on current policy planning aimed at facilitating ‘entrepreneurship and innovation clusters.’ The authors note that there have been clear signs of policy successes for local governments, especially when policy permits more skilled immigrants, promotes education systems, and abolishes ‘unwise regulations’ for the sake of nurturing business development. Like the iHub and CleantechSF initiatives, the authors propose that the only way destinations will see the fruits of cluster policy is through ‘experimentation and evaluation;’

essentially, governments should pursue a processes of prototyping and design thinking in the formation of policy.

In a 2013 interview with the director of the Massachusetts Institute of Technology's (MIT) Media Lab, Joi Ito, he comments that innovation in urban spaces is keyed by the city's ability to access and aid the existing talent pool (Tischler, 2013). Ito claims that cities are being suppressed, not by a lack of funding, but rather by a lack of 'permission' granting. The key, Ito claims, is for cities to tap in to the creative nature of their own contextual space, and allow the individuals in that space to develop without the shackling of policy and budgets. What Ito is implying, a la Hospers et al. (2009) and Lerner (2009), is that the local urban ecosystem nurtures defining characteristics organically, which can, and should be harnessed and exploited through a process of assistance; not funded policy. If one's city does not give 'permission' to pilot, create and innovate, then startups, entrepreneurs and established companies will travel to places that do allow creativity and innovation to flourish. These processes are happening now on varying levels, and the early adopters are reaping the benefits (e.g., *Start-up Chile*).

At one point I met a young man from Italy who was trying to extend his visa, and thus avoid his return flight to Rome. He shared with me that he was battling to stay in San Francisco so that he could continue to test and develop his startup company. After speaking with him, and thinking about a number of other conversations I have had with foreign visitors to the states, I figured that eager business men and women seeking funding and a place to call home was a common theme. Four days after speaking with the Italian entrepreneur I was struck by the placement of a billboard advertisement along the freeway. Driving south from San Francisco on Highway 101, just before reaching the San Francisco International Airport (SFO), a vibrant red maple leaf protruded from the sky (Figure 3: Pivot to Canada). The ad was a Canadian government sponsored notification for potential North American immigrant entrepreneurs, which promised a more painless, and seamless visa experience up north. Interestingly enough, the language of the advertisement, 'Pivot to Canada,' plays on the iterative process described by Eric Ries, and outlined in the processes of design thinking. At the time of seeing the billboard, I remember thinking how my Italian respondent from earlier in the week would most likely see this sign on his way to SFO, and perhaps, in the same frustration that he had shared with me, would at least pledge to himself to consider Vancouver or Toronto as an option for the development of his company.

Figure 3. Pivot to Canada



Source: O'Brien, *Canada comes to Silicon Valley to poach high-tech workers struggling with immigration problems*, 2013

The Canadian advertisement is a recognition that talent, and creative capital are highly crucial for any regional economy, and that potential, and a culture of risk taking entrepreneurs is worth cultivating. More importantly, there is an unspoken acknowledgement that American visa restrictions imposed by government design are having undesirable negative consequences. These sentiments were expressed by Jason Kenney, the minister of citizenship, immigration and multiculturalism for Canada, in a ‘recruitment’ trip that accompanied the unveiling of the freeway advertisement: ‘I think everyone knows the American system is pretty dysfunctional’ (O’Brien, 2013). Perhaps the effects of such restrictive policies are not troubling for such a vibrant venture capital rich community like San Francisco, but these types of restrictions, coupled with more regional exclusionary legislation could potentially play a major role in preventing talent from immigrating and boosting regional economies throughout the states. Again, the allusion to the principles of design thinking and an evolution of business highlights a greater trend that is occurring now especially in the San Francisco Bay Area.

#### **4.7 Design thinking**

The elements of design, and design thinking appeared throughout my conversations and data collection, and, as we will see, constitute a considerable portion of what I understand as the prototype tourism experience. Placing design at the front of public attention is not a new idea. In 2005 Daniel Pink, in his book a *Whole New Mind*, argues (as the subtitle claims) *Why Right-Brainers Will Rule the Future*. Pink exposes the trend in ‘developed nations,’ which says that vertical thinking jobs and processes like MBAs, accountants and lawyers are becoming less coveted because of the standardization and replicability of such skills. These types of jobs and thinkers, Pink argues, are easily outsourced. What cannot be sent abroad, Pink (2005, P. 1) explains, are jobs and professionals like ‘artists, inventors, designers, storytellers, caregivers, consolers, big picture thinkers.’

Nathan Shedroff (2009a, p. XXI), one of *the* foremost experts on design thinking, defines it in the context of its greatest potential today; as something that ‘encompasses the synthesis of usefulness, usability, desirability, appropriateness, balance, and systems that lead to better solutions, more opportunities, and better conditions, no matter what the endeavor or domain.’ What Shedroff, and many others I spoke with during the data collection period are alluding to is that good design is the foundation for solving solutions to many of the worlds most pressing social, environmental and financial issues.

What exactly is design thinking? At its essence design thinking, as defined by Liedtka and Ogilvie (2011, p. inside cover), is ‘the ability to turn abstract ideas into practical applications for maximal business growth.’ This, however, classifies design thinking in a very limited economic setting, but the concept of design thinking has a much greater scope. Brown (2009, p. 49) defines design thinking as the rendering of ‘observations in to insights and insights into products and services to

improve lives.’ Depending on your philosophical understanding of success and what it means to make impact, the ends described here are nearly polar opposites, but the basis for the process is the same. Essentially, design thinking is a method that allows people to seek solutions to a wide array of problems, regardless of the purpose for solving the problem; this includes anything ‘from pediatric obesity to crime prevention to climate change’ (Abbing, 2010; Beckman & Barry, 2007; Brown, 2009: 7; Liedtka & Ogilvie, 2011; Owen, 1997; Owen, 1998; Shedroff, 2009a). In fact, the term ‘designer’ has come to encompass not someone who works within a specific field, but one ‘with the ability to reach a design solution’ (Brown, 2009, p. 85). In fact, much of the literature for design thinking is focused on a few, key buzz concepts, none more important than the idea of *empathy* (Brown, 2009; Liedtka & Ogilvie, 2011). To be able to put aside one’s conditioning and one’s knowledge in order to step in to another’s circumstances is the basis for identifying what Brown (2009, p. 52) refers to as ‘latent needs,’ or unverbilized **needs**. Having a deep understanding of who the design process is focused on is vital in creating experiences that are practical and meaningful. This ‘**human-centered**’ approach is intended to ‘investigate and develop theory, methods and processes for the detailed design of systems and services and their incorporated products and communications’ (Owen, 1998, p. 18). One respondent explained a ‘designerly way’ as ‘making solutions not just making power points, excel spreadsheets, and word documents that are plans to do something, and so that keeps them engaged with their customers - we push them out to meet people, and then figure out what their needs are and then base their strategies on that’ (Interviews, 2013).

There is, of course, a process that guides the means for design research and design thinking. A semi-structured progression consisting of visualizing, interacting, observing, ideating, prototyping, testing, evaluating and finalizing has become the foundation for utilizing design research and design thinking to answer the questions put forward (Abbing, 2010; Beckman & Barry, 2007; Brown, 2009; Liedtka & Ogilvie, 2011). The entire flow of these processes is shaped by **iteration**, or non-lineation, which is a result of the ‘exploratory’ nature of the procedure; very much paralleling the concept of prototyping itself, as we have already discussed (Brown, 2009: 16; Liedtka & Ogilvie, 2011). One interviewee alluded to this process in the context of foreign entrepreneurs visiting a soft landing incubation space in San Francisco. ‘They come with an idea, and we just challenge that idea, and we organize a meeting to get some feedback, and so on, then they decided to iterate and try new things’ (Interviews, 2013).

The reason for my interest in the topic of design thinking perhaps stems from the personal proximity of my network to ‘the scene,’ but that connection has been validated through my findings and through countless processes occurring at the moment; maybe none more important or vivid than the d.school at Stanford. Stanford’s d.school houses design courses for master’s degrees in design, engineering, medicine, business, law, the humanities, sciences and education. Moreover, the school allows for learning, collaborating, prototyping, and creating amongst a broad range of actors (students, governments, businesses) under the direction of design thinking (Dschoo1.stanford.edu, 2013). Because of the presence that Stanford exudes, the d.school gets a great deal of attention

(perhaps deservedly so) for propagating and developing the status and education of design thinking. In the context of tourism, and prototype tourism in particular, the d.school represents a completely unique product offering. Not only are they offering a tour of the experience and the methodology (they actually offer a tour), but also collaborators are visiting Palo Alto to dive in to the process with students to help develop, test and prototype around real-world problems. Many of the collaborations that the d.school, and several other design thinking programs are taking part in, are igniting products around prototype tourism.

Because of tourism's dependence on the delivery of services, there has been a growing collection of literature around design techniques and the synthesis of experiences and services closely related with the field. Gummesson (1994, p. 85) defines service design as practical 'activities to describe and detail a service, the service system and the service delivery process.' Shedroff (2009b) argues that the definition and possibilities for experience design are volatile at this point because of the novelty of the topic, but that service is ubiquitous and usually represents the value associated with any product. Haeckel et al. (2003) propose that leading the design of customer experience requires a 'systematic methodology,' which follows the tenants of design thinking discussed earlier. Innovation around service design, Faché (2000) writes, is the basis for upgrading tourism offerings specifically. Zehrer (2009, p. 344) looks at the dynamics of service experience and service design among small and medium-sized enterprises (SMEs) in tourism, and finds that those types of businesses can gain significantly with improvements in 'service-delivery processes.' Designing for the service sector is about meeting the needs of the customers, which ultimately is at the core of design thinking (Goldstein et al., 2002). Ultimately, there is great potential for design thinking, not only for its role as a tourism product in and of itself, but for the use of design thinking to accelerate innovation around tourism, hospitality and service sector offerings; one product, in particular has found a way to combine both. The *Design Thinkers Academy* in Amsterdam, according to their website offers and co-creates 'training programs for professionals and teams in corporate and governmental environments, study tours, masterclasses, summer schools and personal coaching' (Designthinkersacademy.com, 2013). A 3-day program that they offer in Berlin teaches participants how to implement 'service design thinking' techniques through a hands on, practical 'curriculum' meant to enrich applied skills, pilot service offerings, and provide a context for 'service innovation' (Designthinkersacademy.com, 2013).

Another product is, according to their website, a 'global entrepreneurship, design thinking, and education, designed to scale-up effective technological solutions to the greatest challenges of our time' (Unreasonableatsea.com, 2013). The company uses the word unreasonable, because the person who challenges the sensible and logical thought of the time, is the one who solves problems, and innovates; a concept very much at the core of the findings in this research. Unreasonable at Sea is an accelerator program that stops in 13 distinct countries from Vietnam and Burma to Ghana and Morocco. The company is headquartered in Boulder, which came up several times throughout the data collection as a burgeoning entrepreneurial hub in America, and as a part of the conversation on the location of venture capitalists. What is perhaps most telling about this tourism product is the

participation of Stanford's d.school, which stresses the burgeoning presence of design thinking in the world of entrepreneurship, and how it is transforming the tourism landscape. The program claims to be tackling the 'greatest challenges of our time,' and thus, quite eloquently, puts design thinking in the middle of business' role in changing the world for the better; and how fitting it is, that this is done in a traveling classroom that puts in to context the challenges that business is dealing with in the first and third world.

Similar developments, in the San Francisco Bay Area specifically, are being driven by the concepts around design thinking; none more prominent than those associated with Eric Ries' 'Lean Startup.' As introduced in chapter 3.4, and as I experienced throughout my observations, vocabulary like 'minimum viable product,' 'pivot,' 'validated learning' and 'sprints,' have saturated commonplace conversations in San Francisco, and the greater Bay Area. However, these are terms that explain the methodology described earlier, and concepts like 'prototype,' 'iterate' and 'research.' Regardless of the terminology, there are clearly parallels between these methodologies, among others, which point to a growing recognition that the way business is done is evolving, and it will eventually encompass a design approach, and an understanding that specific markets and specific locations require highly contextualized knowledge, which can only be gathered in person, in real time, through face-to-face observation, conversation, and collaboration.

#### **4.8 Face time**

In several conversations and notes throughout the research, the idea of face time, and the value associated with being in the same room with an individual, was strengthened over and over; as one interviewee commented, 'we are human beings and we are social, so we need face-to-face' (Interviews, 2013). Travel and tourism have the great ability to physically, emotionally, and psychologically connect people the way communication technology may never be able to. The evolutionarily fundamental nature of physical interaction, perhaps, cannot be duplicated in any similar form, at least not so soon. Waber (2013, p. 194) tends to agree, and defiantly notes, 'people are still awful at collaborating over distance.' Waber (2013, p. 196) goes on to plead for an 'acknowledgement that face-to-face communication is critical for the complex, intensely collaborative tasks that are the lifeblood of our economy;' all of this in a book, ironically, that is sub-titled, *How Social Sensing Technology Will Transform Business*. What is more, Waber is referring to the implication of face-to-face interactions within the field of business, but the truth is, meeting people in real life has massive implications for tackling real world issues not only grounded in the health of commerce, but more importantly in the health of the social, cultural and environmental ecosystems of our planet. As the sections on interactions (Chapter 2.2.5) and diversity (Chapter 2.2.4) indicate, collaboration across boundaries (e.g., skill sets, language, region, culture, lifestyle, etc.) are at the heart of creating unique, innovative solutions – processes that are amplified when the individuals working together are in the same room (Feldman, 1994; Johansson, 2004; Kim & Lee, 2010; Lasagabaster, 2000; Lubart, 1999; Maddux & Galinsky, 2009; Mednick, 1962; Twiss, 1980).

In a study comparing computer-mediated communication systems (CMCS) collaboration (e.g., e-mail, computer conferencing or discussion forums) and face-to-face collaboration, Warkentin et al. (1997) set out to address this idea. When observing the strength of the relationship through an information exchange task, three variables (Cohesion, perceptions of group interaction process, and satisfaction with outcomes) confirmed the authors' hypothesis that 'relational links' (relationships) are stronger in face-to-face collaborations. The findings indicated that CMCS interactions 'may hinder the development of a strong sense of cohesion and satisfaction with the group's interaction process,' which could have a detrimental effect on the overall success of collaboration (Warkentin et al., 1997, p. 986).

Certainly, the significance of face time is not a new concept. In 1984 Thomas J. Allen discussed the importance of face-to-face interactions in the context of technology and management. Significantly, Allen finds that face-to-face interactions are often a time to question peoples' knowledge around a certain topic, and is thus a time to discover what is not known, and where there is room to innovate. Developing understanding through personal contact is another facet that Allen observed in his research, where face-to-face interaction gives a sense of belonging, cohesive and effective team interactions, and the building of trust. Walther and Burgoon (1992) argue that strong relationships enhance creativity and motivation, increase morale, improve decision-making, and reduce process losses. Furthermore, Tripathi and Burleson (2012), in a study on teamwork and creativity, note that a higher frequency of in person meetings correlates to a higher output of creativity for teams.

Interactions and relationships in tourism and travel, Stamboulis and Skayannis (2003) argue, have formed the foundation for innovation in emerging tourism products. Specifically, the authors compare electronic intermediaries versus fact-to-face operations (Stamboulis & Skayannis, 2003, p. 37).

The ability to build and sustain trust-based relations with customers and to gain reputation and credibility is critical... interaction with consumers results in the accumulation of knowledge, which materializes in better content integration (as opposed to information processing), further enhancing trust and reputation.

The authors go on to explain that trust and knowledge then becomes the roots of product evolution, and thus the main source of differentiation. In light of traveling for innovation purposes, Zack (1993, p. 207) shows that the highly interactive nature of face-to-face meetings makes this mode 'appropriate for building a shared interpretive context among group members, while [CMCS], being less interactive, is more appropriate for communicating within an established context.' What Zack alludes to here is that working within an established culture and set of routines that everyone is familiar with is a vital precondition to collaborate within the median of CMCS. This is paramount if we acknowledge that innovation is *über* contextual (especially social innovation), and starting to develop now, more than ever, as a design challenge, which requires extensive first hand

ethnographic understanding. Many of the advantages gained in face-to-face meetings are fundamental for ideating, developing, brainstorming and putting together successful solutions to social, business and civic problems, which is very much at the heart of what has made, and will continue to make prototype tourism central in the development of business travel and tourism.

## CHAPTER 5 IMPLICATIONS

As Glaser's (1992) criteria for grounded theory outlines, up to this point in the paper I have emphasized how the analysis and theory grounded during this research 'fits' in to the realities of the individuals observed, as well as the events and processes occurring during the collection of data. Furthermore, how the theory 'works,' or how the theory explains the shift in behavior, has also been at the core of the paper so far. This section (Chapter 5), as noted in the methodology, hopes to emphasize the relevance of prototype tourism and provide an introduction of sorts to the discussion portion of the paper; something that has already been highly alluded to in chapters three and four. (Glaser, 1992)

### 5.1 Global 'local solutions'

*Some of the projects we fund will fail. We not only accept that, we expect it—because we think an essential role of philanthropy is to make bets on promising solutions that governments and businesses can't afford to make – Bill and Melinda Gates*

The Bill and Melinda Gates Foundation, which is co-chaired by Bill Gates, the co-founder of Microsoft, and his wife Melinda, is one of the largest philanthropic organizations of our time (Gates & Gates). The Gates Foundation, according to its website, prides itself on tackling key social issues through collaboration, innovation, and risk taking. The investment of time and money, and the level of risk that is assumed in innovating around social issues, is the greatest obstruction now in the development around social change. As several respondents noted, venture capitalist funding, even in the San Francisco Bay Area, has not been keen on riskier social ventures; especially those that have little potential of scaling and reaching a considerable market group (Interviews, 2013).

In one interview Melinda Gates herself notes the great potential of some of the processes going on now. Two of the '4 ideas that Melinda Gates thinks are changing the world,' are extremely telling (Schwartz, 2013). The first is *M-Pesa*, a mobile currency system that allows for simple, accessible financial transactions. *M-Pesa*, which was released in 2007 by *Safaricom*, now handles 75% of Kenya's financial transactions (nearly 60% of Kenya's GDP) (Munford, 2013a). The growth of *M-Pesa* parallels the growth of the reputation of Nairobi as the sub-Saharan hub of innovation. Success of ventures like *M-Pesa* is a result of the second idea propagated by Mrs. Gates, and that is 'local development.' As professors Wei Skillern and Marciano (2008) argue, the context of local networks, collaboration and local knowledge exchange are all vital characteristics of socially driven solutions. The key, these authors summarize, is based around what Gates calls 'local development.'

*M-Pesa's* success; for example, is a result of its development by a local mobile company and a local perspective (Schwartz, 2013). Consequentially, 'the developing world is littered with pilot projects' based around tech, water, education, food scarcity, energy and many other fields; all of which could potentially have great impact on the whole world's ecosystem (Schwartz, 2013). One respondent alluded to these 'local solutions' to social challenges, 'it really is defined by the what the social mission is, who the other players are, what they are trying to accomplish, the governments current role, or potential they can play; it depends on the geography you are talking about, so it really is contingent on the circumstances' (Interviews, 2013).

What the Gates foundation is insinuating is the evolution of business, coupled with countless cases of prototyping occurring around the world today. As international entrepreneurial hubs continue to facilitate knowledge exchange from abroad, collaboration among regional advantages, and the flow of capital, 'local development' may see a flourishing period. This conversation brings to light some of the questions this paper has attempted to discuss, questions that arose during the period of data collection and the grounding of theory: What development could greater facilitate this innovation? How does travel accelerate the possibilities for this innovation? What is the future of this and travel?

## **5.2 Unshackling innovation**

Driving North on Highway 280 from San Jose to San Francisco, within the span of 30 minutes, unsuspecting passengers are lead through several innovation capitals: Cupertino (*Apple*), Mountain View (*Google*), Palo Alto (*Hewlett Packard*) and Menlo Park (*Facebook*); however, perhaps the most compelling story sits where the foothills of the Bay Area Peninsula meet the exit of Sand Hill Road. Most people miss the exit all together, but if one is keen enough, he or she could potentially peer east and west off the highway to catch the Stanford SLAC particle accelerator running below the motorway. As a child, I remember peering down the SLAC runway, and thinking in amazement and pride, that my 'home' was at the center of the world in scientific discovery, and the innovations that came with that. With all of these suburban tech centers, why then is this fantastic development located off such an ambiguous, unassuming street?

'Banks!' That is the explanation for innovation in San Francisco; at least according to one respondent (Interviews, 2013). The same respondent said, if you want to find innovation in the Bay Area, go visit Sand Hill Road. He told me, '80%' of the venture capital in the area was going to Stanford alumni and current students, and much of that money was coming from VC firms located on the mysterious boulevard. Though this claim felt fanciful at the time, and made for a fantastic story, I quickly realized that Stanford University is ever-present in the dialogue around innovation, entrepreneurship and investing. In a report on entrepreneurship investing and the associated universities, it was found that Stanford alumni raised more venture funding than any other schools' alums, including Harvard, and the University of California, Berkeley from 2007 to 2011; in fact, they raised more than double or triple the funding of each of the other 5 universities studied (Molla,

2012). This report was substantiated throughout the data collection as individuals voiced their opinion that the Stanford title was often times the key to attracting attention from investors.

As noted in chapter 3.2 diversity is highly regarded as a point of pride for many of the people who call San Francisco and the greater Bay Area their home. The idea that humanism and equality are running their respective courses is a comforting thought for many of the respondents I spoke with. Though this may be true on some level, Christakis and Fowler (2009) note that homophily is still a strong force in the attraction of actors in a network, or the tendency of ‘like to befriend like.’ The ‘contact between similar people occurs at a higher rate than among dissimilar people’ is how McPherson (2001, p. 416) defines the phenomenon. The idea has been discussed by authors as early as Aristotle and Plato (McPherson et al., 2001). A term coined in the 1954 study by Lazarsfeld and Merton, ‘homophily’ has been described as the foundation of the relationships for most, if not all of our network ties; from work, friendship, marriage to collaboration and advice (McPherson et al., 2001). The homogeneous nature of a majority of our interactions makes the Stanford anecdote not so surprising, and in fact, seems to fit the theory quite well.

‘There are some bad trends in that way,’ one respondent noted on the topic, referring to some of the patterns that had surfaced during the research (Interviews, 2013). The same respondent had reiterated my concerns about the ‘homophilial’ development that had infiltrated several parts of the entrepreneurial processes in San Francisco, ‘I mean, you can get it down to.. its either Asian or Caucasian, 6 feet, 6 feet 3, male, or a blonde woman, you can get it down to the specifics... who get funding’ (Interviews, 2013). That same thought had been reiterated by several individuals throughout the research; individuals who felt that incubation type processes had been inundated, to their detriment, by individuals with very similar minds, and from very similar socio-cultural circumstances.

There is, I think, a considerable caveat to discuss around the understanding of what makes a successful entrepreneur, and the incidence of homogeneous entrepreneur populations. This warning was illuminated when one of the interviewees noted, ‘if we say success equals funding, therefore, that’s what’s successful, therefore, that’s what gets funded... I mean it is a self-fulfilling prophecy’ (Interviews, 2013). The significance of this phenomenon, and the implications it has on innovation, not only in the San Francisco Bay Area, but also across the growing global community of entrepreneurship, are still to be discovered. Perhaps the biggest questions are around social innovation, where the understanding of unique social contexts, and a diverse set of stakeholders to be considered are key characteristics of such projects. To create viable solutions to pressing issues, one respondent noted, is to understand and capitalize on the strengths of diverse sets of perspectives and skills (Interviews, 2013).

What the Stanford anecdote also highlights is a re-emphasis on the **meritocracy** fallacy in the United States. ‘Liberatory meritocracy’ are the words of a particular MBA student I interacted with. His argument, that the qualities and virtues of individuals had recently overcome any other

reasoning for success, was something he had observed first hand in the San Francisco Bay Area. There is a kind of paradoxical commentary explicit in putting the words liberatory and meritocracy together as once concept, which does raise a provocative dialogue. Again, the myth of meritocracy in its 'purest' form is evident in such a statement. What is more, the idea that individuals see validation in meritocracy gives the theory its momentum in the first place; it is self-fulfilling. This is not a moral issue, but rather something to be conscious of. Meritocracy in its virgin state is ideal, and is worth working toward, but the danger, I feel, is when that ideal state is understood as reality. What this MBA student, perhaps meant the most by his statement is that there are processes occurring now around greater access to data and information that have unbinding effects for meritocracy, and could potentially create more equal access for entrepreneurs and startups in the near future; perhaps the democratization of innovation.

### **5.3 reDemocratization**

If innovation is fundamentally grounded in the voice of the voiceless, the processes of diversity, and the challenging of the status quo, then the democratization of innovation is a notion of redundancy. Innovation *is* democracy, and vice versa. So what then is at stake with these processes; the freeing, the letting loose, the liberation, the emancipation, the unshackling of innovation? In a shivering manifesto of sorts, Hersman (2012, p. 65-66) verifies innovation's role in society.

Innovation starts along the edges, so it comes as no surprise that innovators also are found in the margins of society. They are the misfits among us, those who see and do things differently, who challenge the status quo and the power sources that prop it up. Think about what you're really asking for when you say you want innovation in your space, because what you're asking is for the outliers, the disruptors, and the rebels to have their way. You're asking for a new way of thinking and doing. If you're in a position of power within an industry, you're likely going to be upset along the way.

Hersman's definition of innovation, and its implication for entrepreneurs is not that of an extremist according to many in the Silicon Valley today. Respondents, and many I had discussions with over my five-month period in that setting described themselves in the same light as the beatniks and hippies of the fifties, sixties and seventies; at times, explicitly and directly comparing themselves to these change makers. Many of the individuals associated with the San Francisco social movements of the 20<sup>th</sup> century were innovating around literature, art, music, and general awareness, among others. What is more, the innovations themselves were liberating, resulting in freedom of speech, freedom of form, and freedom from judgment. New standards were being forged, and the people at the forefront were creating a new generation of entrepreneurs where everyone was recommended to contribute. Similarly today, developing trends globally are facilitating a new era of entrepreneurs; entrepreneurs who are not only innovating, but are changing the way business, and innovation is carried out. The clearest examples of this are happening in places where innovation has the greatest potential. The case of Nairobi, and Kenya's growing presence as an innovation hub in sub-Saharan

Africa is a testament to this development, as seen with the impact of *M-Pesa* and the subsequent growth of the destination (Munford, 2013a). What Robson et al. (2009) emphasize in their piece, and what is highly relevant to ‘developing’ destinations, is that education is the key to innovation and entrepreneurship. The access to higher education, and especially affordability, are key components of innovations ability to spread and flourish throughout the global community. Significantly, the country that should, hypothetically, have the fewest problems in regards to providing accessible higher education (The United States), is also one of the first movers in creating platforms for the liberalization of knowledge, and it is happening in the San Francisco Bay Area.

Stanford, surprisingly, or not surprisingly, is very much at the forefront of the democratization happening around education at the moment. A former professor at the university suspended his teaching position to launch a start-up called Udacity. Udacity describes itself as ‘the future of online higher education. We offer accessible, affordable, engaging classes that anyone can take, anytime’ (Udacity, 2013). Two more Stanford professors followed suit shortly afterwards with their start-up Coursera. Coursera is partnering with top-flight universities and organizations to develop online courses for the world to participate in. The company claims to ‘envision a future where everyone has access to a world-class education that has so far been available to a select few’ (Coursera.org). These finite examples represent a growing trend around the freeing of knowledge associated with the entrepreneurial process of today, many of which would consider this as fundamental for a true democracy. What is more, the startup scene has picked up on the promise of online education, and there is a growing space associated with the optimization of these courses. One startup I talked with, in particular, is honing in on software that allows greater interaction among students in the process of watching lectures or other videos associated with online curriculum. Market forces are finding incentive around the space that traditional higher-educational institutions have not been able to innovate around, and in this sense, is closely tied to the ‘freer’ dissemination of knowledge, and ultimately the democratization of education.

There is an understanding and **energy** palpating from individuals who live in and visit the San Francisco Bay Area, that nearly anything is possible. ‘Anyone can start a company at 25,’ one respondent exclaimed (Interviews, 2013). This is part of a cultural workshop of sorts, where visitors to the San Francisco Bay Area become inundated with cultural nuances of the space, which they can utilize when they return home. Absolutely, one of these nuances is the idea that anyone can get funding, anyone can run an event, anyone can participate and develop skills and work toward ‘making it,’ however ‘making it’ is defined. An attitude, one entrepreneur noted, is what it is about; it is about being around people who know that anyone can, and will succeed, and then seeing that in yourself and utilizing it for your own purpose down the road. Belief in god makes god dynamic and concrete, and the same goes for ideologies like meritocracy, democracy and equality.

There is also an inverse effect of democratization that is occurring with development of technology, entrepreneurship and anthropological understanding. What we are seeing, especially recently, is the use of new products that are giving people, from the ‘bottom of the pyramid’ up, greater access to

luxuries and basic essentials that were not long ago seen as unfeasible for a large portion of the world's population. One example is the explosion of *M-Pesa* in Kenya described earlier, and giving 'the developing world' the access to a more streamlined financial transaction platform, which could be a force toward greater economic mobility in Sub-Saharan Africa. Maybe the greatest example of this is the freeing affects technology and innovation are having in the world of health care. As one article is labeled, 'prepare for a personalized, preventative health care revolution' (Schiller, 2013). I do not believe that anything could represent freedom and democracy more than offering every individual the opportunity to nurture and support ones own physical health. Schiller (2013) writes that technology is increasingly allowing individuals to complete self-check ups through cheaper and more accessible means; everything from ultrasounds and eye exams to blood work and fecal analysis. For startups and companies to comprehensively serve the market they are after, and create financial, educational, and health care products, there will be an increase in the number of prototype tourists seeking greater contextual insight for their design. Clearly there is much at stake with these types of development as one entrepreneur shared about traditional forms of business 'when we democratize, it's going to sneak up on them' (Schiller, 2013).

#### **5.4 Urban prototyping – The case of Detroit**

As this paper began with creative cities, shifted specifically to San Francisco, and eventually opened up the conversation around smart cities, urban development will conclude this portion of the report. According to the United Nations, approximately 70% of the world's population will live in urban areas by 2050, and thus represents an immense focus for the development of business, and for the purpose of this research, prototype tourism (United Nations, Department of Economic and Social Affairs, 2013). One city in particular, represents a growing stage for the development of such travel, a city that is harnessing a great deal of attention at the moment for its potential as a model for urban re-generation.

The city: Detroit. Mark Binelli in his 2012 book, *Detroit City is the Place to Be*, describes the Detroit urban space as 'an actual ruined American city.' Binelli, perhaps could have gone as far as labeling Detroit *the* ruined American city. With such demise, however, as the world has seen with post war Europe and the Marshall Plan, there is great opportunity to build something new and great. Binelli provides several examples of initiatives, experiments, projects and movements that are occurring around urban regeneration in Detroit. One of the major developments are the ones happening around urban agriculture. In a *New York Times* Article, Leslie Macmillan (2012) describes how John Hantz, a local Detroit entrepreneur, is looking to turn 140 acres within the city limits, in to the world's largest city based farm. The farm would be the site of 15,000-hardwood tress, and potentially a great source of local produce. Macmillan's (2012) title, 'Vast Land Deal Divides Detroit,' highlights the conflict between entrepreneurial efforts within the city, and the public sectors own aspirations to generate growth. The play by Hantz to reshape the urban landscape in Detroit, however, is a signal of what has already been emerging in Detroit. In an earlier *New York Times* article, Susan Saulny (2010) comments on Detroit's physical transformation

as more homes are foreclosed, populations become sparser, and the space faces re-designation. According to the article, much of the restructuring is based around developing more high-density neighborhoods and reorganizing the land ‘to make a more livable city.’

With all of this reformation and creativity around development in Detroit now, there is a great space for the prototyping of new solutions to urban design challenges. The conflict between the city and what John Hantz is trying to accomplish represents what Hospers et al. (2009) describe as a design approach from the government, as opposed to a facilitation approach; where the public sector tries to control the development process rather than prime the conditions for solution breakthroughs. Thought the findings of Hospers et al. is centered on government’s role in cluster management, the parallels here are striking. Jacobs (1961) refers to these ‘leaders’ who pose roadblocks to such potential as ‘squelchers.’ What is important to note for this paper is that Hospers et al. (2009), by using the word design, refers to the misunderstanding and over management of policy formation which results in policy formation, not necessarily what I have described as the design thinking process and mind-set (Chapter 4.7), or what the CleantechSF policy represents. The latter acknowledges regional strengths, and incorporates design thinking in to the formation of policy. If Detroit understood that it had a comparative, and competitive advantage in urban farming, for example, and an unprecedented urban remodeling plan – then why not fully adopt that identity and market the space in that fashion? Why not create a legal, social and cultural environment that recognizes the challenge of what the city is trying to accomplish – and invite collaboration from an international audience to create sustainable solutions?

## **DISCUSSION**

From the beginning of this research there was a feeling that what I was observing had a subtle, yet fundamental distinction from anything the tourism literature had focused on up until that point. It was, however, not fully clear to me until the later part of the research what the defining characteristics of prototype tourism were. Therefore, this portion of the paper will discuss: How is prototype tourism worth distinguishing from other business tourism and creative tourism products and processes that have been identified and studied throughout the literature? I will do this by connecting the constructed theory of prototype tourism with the reviewed literature.

There seems to be a space in the business tourism literature that lacks the role of site-specific characteristics that are drawing business tourists. In an explanation of shifts in demand for business travel and tourism, Swarbrook and Horner (2012) cite exchange rates, cost of living, government policies, trade relations, political stability, and the general state of the economy in the destination. What is interesting is that there is no mention of the characteristics and distinctiveness of the culture of the destination as a driver of demand – People seeking out space, for the sake of the intangibles of that particular space; something that has been discussed ad nauseam in this paper. This is not a new concept, however, and has been a driver of travel for a long time. A contemporary example is the South by Southwest Music (SXSW) festival in Austin, Texas. Austin is known as the live music

capital of the United States, and draws people to be inspired by the music, to make music their lives, and to understand whatever makes live music in Austin so great. Paris, Milan, London, Tokyo and New York have long been hubs of fashion, and have thus been sources of inspiration and magnets for aspiring designers to better understand the context of their art, and ultimately their work. The capitals of Scandinavia have been touted for their superiority in design, and have also fostered a following of designers and decision makers who wish to understand the culture and characteristics of Northern Europe (Berlin is no slouch in that department either) that are facilitating such developments. All of these examples allude to prototype tourism in one form or another, and non of which are beholden to the ‘Silicon Valley Model.’

The individuals associated with the processes around prototype tourism are essentially business travelers, in the sense that all skills, connections, products and companies developed and tested during the period of travel *could* potentially be monetized. That is not to say that an individual who partakes in a hackathon is not purely concerned with the liberation of innovation and knowledge, however, that same individual may create something that someone else wants to purchase, or may *further* develop marketable and profitable skills. There seems to be a lack of understanding in the literature that conferences and meetings, exhibitions, product launches and MICE travel in general are clearly seeing a shift toward a more co-production, co-consumption paradigm, which emphasizes site-specific characteristics, education, skill development, collaboration, knowledge exchange, entrepreneurship and innovation. All of which parallel an evolution of business itself. The characteristics innate in travel and tourism, however, are prompting the acceleration of creativity and growth that perhaps has laid dormant in strict business travel processes. In this sense, prototype tourism is the realization that business travel and tourism holds within it the potential to facilitate profound collaborative results.

Swarbrooke and Horner (2012) make note of future challenges for the business travel industry, and one is the management of cross-cultural exchanges, and the impact this has on the experience of the customer. The authors, however, mostly focus on the culture of the incoming tourist, and the burgeoning markets of China, Brazil, and Russia, for example. They claim that destinations need to be more sensitive and accommodating to the lifestyle, and customs of the cultures coming. This is nearly an inversed outlook on people coming to a destination to have an open mind and have the culture of the destination change their perspective, grow, develop ideas, etc. The basis for prototype tourism, and the cultural immersion that hugely defines the travel, ultimately has the same effect that Swarbrooke and Horner discuss, except the direction of the cultural exchange is bi-directional. The authors cite: new language skills, historical and political awareness, understanding of unique perceptions, unique lifestyle understanding, ‘religious facility design awareness,’ and specific food and drink offerings, among others, that will be key to ‘bridging’ the cultural gap between visitors and hosts (Swarbrooke & Horner, 2012). These cultural nuances, however, may be a basis for understanding what specifically prototype tourists are extracting from their time in a given space.

What is unique about the processes of prototype tourism is the ever-looming presence of the *boundary*. As creativity goes, the boundary in the eyes of the innovation tourist is not a limiting or ‘fencing’ mechanism, but a mile marker to a push toward and beyond. The aspiration to push for the latest and greatest, the most unique and perhaps profitable constitutes a great deal of this field. Regardless if there is a case for monetization of the experience associated with prototype tourism (e.g., in the case of some hackathons), participants are pushing to create the next great thing in the world of innovation. Associated with all of these experiences is the latent motivation that the basis of one’s work could garner great social and financial capital. Ultimately, getting diverse perspectives from around the globe in a single room to collaborate and pilot new ideas could become the basis for what one respondent described as the supercharging of innovation (Interviews, 2013). In the business travel and tourism literature, there appears to be a clear distinction between the time spent on work, and the time spent in leisure. Clearly, the innovation process, and the events and occurrences happening within prototype tourism, are heavily blurring these two lines, with a clear understanding of the objective of the experience – to create something new.

As described in the literature review, the creative tourism product is largely defined by knowledge sharing, collaboration, metacognition and awareness, and self-actualization, much of which defines prototype tourism. Furthermore, ‘creative tourism processes in a destination facilitate the interactions among tourists and local skills, knowledge, innovation, habits and unique qualities of the destination’ (Richards & Wilson, 2006). As creative tourism has evolved out of a shift in the needs of tourists, prototype tourism has blended motivations for travel, as seen by Maitland (2007), where education, leisure, and business have all melded in to one tourism experience. In fact, the processes of prototype tourism have already been heavily alluded to in the creative tourism literature. Pappalepore (2010, p. 126) finds that creative professional visit particular destinations to understand trends and find inspiration. He cites one London art director, in particular. ‘So many people come here to get inspiration, share inspiration, it’s everything for everyone, people come here from their country and they feel inspired, and they go back to their country they have something to offer.’ This is a very similar sentiment found during the data collection of tourists coming to the San Francisco Bay Area, and alludes to an exportation of culture. Ultimately, the travel experience, and the intensity associated with creativity, trial and error, and creation in a foreign setting heightens the formation of new norms for the traveler. The visitor, inundated with the dynamic nature of the processes described in prototype tourism, is saturated with culture and context, so much so, that his or her mentality is fundamentally shifted.

In this sense, the prototype tourism experience, much like the creative tourism experience, is largely defined by the exportability of the characteristics of place. Along with providing context for the work that is the focus of the trip, the destination is a source of inspiration for the success of the innovation. In the case of San Francisco, young ‘hackers’ and businessmen and women describe the energy and entrepreneurial spirit as highly transmittable. What this meant, especially in the case of San Francisco, is that prototype tourists came to understand the context for success, and the mindset necessary to ‘get the job done.’ Part of what visitors are coming to understand in their visit

to the Bay Area is that innovation takes redefining what is acceptable. One respondent noted about the mindset of his home country in Western Europe, that people will not articulate the potential they see for their work and for their business, and that people will simply laugh at the idea of public articulation of excessive confidence (Interviews, 2013). The respondent was alluding to the conviction associated with people's belief in their ability to succeed, or a culture of self-assurance and aggressiveness. The same respondent felt that it was absolutely beneficial for young entrepreneurs visiting from his home country to internalize this mindset on some level before their return home.

Like creative tourism, co-production, co-consumption and co-creation are at the heart of what makes prototype tourism unique. Mostly what will be created is a result of the experience itself, and has very little semblance to anything the organizer could imagine. Whether in hackathons, creative incubation spaces, or prototyping new technologies and startups, the service provider is purely providing a context for which the tourist can create. Often times, there is in fact, no provider. The innovation tourist is pursuing his or her own creative experience independently. This is a distinct difference from creative tourism, and highlights where the two start to diverge. Co-production, and especially co-creation, in the case of prototype tourism is built on a greater mutual level. Those participating and those organizing (if there is an organizer) have similar vested interest in creating high quality products and services in order to sustain one another – they are often times mutually dependent on each other, which is something that is not as prevalent in the idea of creative tourism.

Many of the traits laid out in the special interest tourism, and serious leisure literature fit comfortably with the processes occurring now in the San Francisco Bay Area. The overlap, as well as the defining personality of prototype tourism, mirrors the continuum laid out by Brotherton and Hemmetoglu (1997), where labels like 'enthusiast' and 'expert' represent a level of immersion, involvement or intensity in to the field. The prototype tourist is partly described by Trauer (2006) and the 'traveling special interest expert,' who is an individual highly involved (specialist) in the leisure focus but a novice at traveling, possibly taking a 'once in a lifetime' vacation. These tourists would find themselves in a 'comfort zone' of their specialization. Unlike Brotherton and Hemmetoglu's (1997) description of a 'novice' and 'expert,' however, the continuum of prototype tourism is not defined by the 'expertise' of the traveler at travel. Specifically, travel experience, and one's experience in their 'special interest' do not necessarily correlate for the innovation tourist.

What the prototype tourist has evolved in to is what Stebbins (1996) refers to as a 'specialized cultural tourist' who develops a deep understanding of the everyday needs of the local people – a tenant that is explicit in the field of design thinking. At the intersection of special interest tourism (SIT), and creative tourism, we see processes of education, brainstorming and piloting that are ever present in what I found during my research. However, Laarman and Perdue (1989, p. 213), in their discussion on specific tourism developments in Costa Rica now, pinpoint where prototype tourism distinguishes itself from serious leisure, 'travelers do not aggregate in tour groups, and leisure is not

a primary motivation for travel. To the extent that word-of-mouth communications influence additional travelers to visit Costa Rica, these other travelers are mainly professional colleagues and students rather than recreationists.’ Bartram (2001) also notes that the SIT tourist could evolve in to a special interest career only after a hobby or leisure has been pursued based on personal values. Conversely, with prototype tourists, it was found that career, and professional aspirations were the source of leisurely pursuits. Another distinction is that in SIT and serious leisure ‘there is no significant remuneration – in fact, there is usually no remuneration at all’ (Stebbins, 2001, p. 54). Prototype tourism includes those working for no pay as well (and often times tourists are actually paying), but many of the people involved in this travel are what Stebbins refers to as ‘high-level occupations,’ and people that are highly involved in the field that they seek to travel for, which places them in a distinct skill set that is highly capable of socially and financially capitalizing off of their experience. Even for hackathons one interviewee noted that ‘hacks in the bay, for the most part, you are turning up with people who are pretty skilled, who are working for competitors, working in the same field as you, maybe a bit higher and may have a bit more experience than you’ (Interviews, 2013).

Despite the divide that appears with serious leisure and special interest tourism, leisure is very much at the heart of the prototype tourist’s experience; especially if we understand that traveling for pleasure is analogous to traveling for leisure, as Carr (2002) does. For the prototype tourist, understanding local nuances in order to design and create may be driven by leisure activities. An anthropological understanding of the needs, desires, passions and actions of a specific culture may actually take participation in leisure activities. The prospect and ‘excitement of uncovering previously unknown domains’ is often the greatest motivator for creative professionals, even more than monetary rewards or even career opportunities (Styhre, 2008, p. 143). Another important aspect to understand with any creative or innovative pursuit is the role of ‘play’ itself.

In the near future the characteristics of prototype tourism could be the basis for business travel and innovation. In their book *Think, Play, Do: Technology, Innovation, and Organization*, Dodgson et al. (2005, p. xi) claim that ‘the contemporary innovation process can be characterized by a new schema of “thinking,” “playing,” and “doing.” This breaks away from the traditional notions of research, development, and engineering, and emphasizes the importance of design and prototyping in innovation.’ Throughout their argument, the authors discuss the parallels between play and the principles discussed in design thinking and prototyping, where ‘simulating, extrapolating, interpolating, preparing, testing, validating’ are all verbs associated with both processes. If Dodgson et al. are even somewhat accurate in this proclamation, the future of business development, research and product creation will be heavily reliant upon the fusion of leisure and business. In one study, Styhre (2008), through the use of Caillois’ (1961) theory of play, observes how laboratory scientists in new drug development activities utilized the notion of play to collaboratively build skills. Play alludes to a type of openness in process and possibility, where the influence of chance and serendipity collide with creation (Styhre, 2008). These findings make a clear connection between the leisure associated with play, creativity and piloting, and the innovation

and business implications that are at stake; a distinction from the business literature, which clearly divides the business traveler's experience and time in to work *and* leisure. The products and processes of prototype tourism appear to meld this idea with the benefits of travel.

Though there is a distinction made between work and leisure in the context of play, the seamless continuum of the two in prototype tourism challenges traditional notions of what constitutes business tourism and travel. Clearly, meetings, conferences, exhibitions and events centered on business are moving toward a more design centric approach. One of the business conferences I attended in San Francisco featured 'traditional' aspects of a business trade show; for example, an exhibition space for companies to establish presentation booths. The event, however, was very much a product of the San Francisco Bay Area, and it featured a wide range of startups, and an opportunity for young entrepreneurs to bravely put their new ideas out for everyone to see; ideas that were not fully developed, had not scaled, and were still vulnerable. This was intended for venture capitalists and other investors, but there is the thought that 'I am going to put my self out there for the community, to get feedback, get information and insight in to my product; perhaps even invite collaboration and cooperation.' This conference also provided several workshops, chats and prize money for young businessmen and women to develop skills, assess their product and perhaps acquire seed funding. Other events in San Francisco, and around the world, are scaling the line between leisure and business, but easily represent a shift in what someone might refer to as MICE tourism. In a similar light as a hackathon, other events are occurring that provide a forum for individuals interested in further developing the seeds of a startup, allowing participation in a weekend long event that pairs budding entrepreneurs with other skilled individuals from a broad set of backgrounds to collaborate and create a new company, often times with an air of gamesmanship and competition around the event. Again, testing assumptions, finding a viable market and better understanding what constitutes a successful team, and successful collaboration is at the core of this particular event.

Another distinction seen in prototype tourism is the risk and pressure involved with the experiences of prototype tourism that differ from traditional creative tourism products. The confines of time and the potential strain inherent in the innovation process, whether we are discussing a hackathon type event, or a startup company's three months to research, network and finalize a product for seed funding, makes processes occurring around prototype tourism slightly intimidating. Fear is clearly prominent in the types of experiences that have been discussed throughout, where having an 'impetus for action,' and getting yourself and your ideas 'out there' to be tested and validated takes some level of courage. One respondent, in regards to the innovation process, claimed that it should be better understood as intensity, rather than fear. 'You can create intensity with love, you can create intensity with the magic of what you are doing. You can create intensity with great dynamics, and that intensity is really important. The easiest intensity is: its due on Monday, everyone come in and work 24 hours a day' (Interviews, 2013). Again, there is an allusion to the pressure of time, but also that there is a power innate in the creation process, whether it is fear, or intensity, or any other

feeling that is not what defines a great portion of the creative tourism literature today (Tan et al., 2013).

What we see with tourism and travel, on many levels, is that it eliminates barriers to entry, or barriers to participate (or at least reduces them) in what makes a destination unique; in essence, providing greater access to opportunity. Consequently, human capital has accessibility despite high prices and other externalities of living in a dense metropolitan space (congestion, noise, smog, smug, ‘crazy,’ competition, etc.). For innovation tourists and destinations, the talent visits partly because they do not have to live in said destination. Reducing barriers to access is also about providing a toolset to individuals with needs to help even the playing field – democratizing opportunities; giving good ideas, spirited entrepreneurs, and developers from around the world access. In regards to the development of one particular incubation program and the potential foreign participants, a respondent exclaimed that ‘they need the coworking space, and they need the mentorship; they need the network, they need the education’ (Interviews, 2013). As he notes, one of the ways access is being granted *is* through developments in education. Education institutions, in the Bay Area and beyond are developing in to tourism products themselves, allowing ‘commuters’ to participate through certain scheduling models and a greater emphasis on certificate programs. These education travelers also very closely resemble the characteristics of an individual traveling to participate in an incubator, or an individual traveling to prototype a new green technology, for example. This is especially true when the programs, in and of themselves, are highly innovative, as was discussed earlier.

As we saw with Singh (2005a), cross-regional knowledge exchange tends to lead to higher levels of innovation, where diversity is as essential as face time for the collaboration process. Johansson’s Medici Effect is also ever present in the prototype tourism space. Many of the hacker and incubation spaces are, at their core, networks of diverse skill sets collaborating, and creating. The work done by Jia et al. (2009), shows that creative solutions are more vibrant in foreign settings, which is often times the circumstances innovation tourists find themselves, which again, is a natural outcome of the travel process. In regards to social innovation, which is highly site specific, traveling to help identify human needs will only develop more pertinent and pressing solutions to social challenges.

Incubation spaces in particular, and the growth of such national and international hubs, are creating greater incentive to visit a particular local for collaboration and creation. Soft landing sites have become a great impetus for young entrepreneurs to travel to a specific destination to nurture skills, knowledge and relationships for the success of their business or service. These sites also exemplify the hybrid organization that seems to be a powerful trend in business and social innovation, for many are funded by a collection of public and private sponsors. Specifically, the case of *Start-up Chile* shows how intimately linked tourism, innovation and regional growth and development can be.

To a large extent, the processes of prototype tourism observed in the San Francisco Bay Area represent a microcosm of the setting. As social currency, accessibility, acceptance, risk-taking, diversity, collaboration, challenging ideas, awareness, a propensity for action, and customer-centric design are all characteristics of innovation in San Francisco, so too are they the characteristics of prototype tourism in that space. These characteristics are not only guiding the processes associated with prototype tourism in the San Francisco Bay Area, they have also been shown to be guiding tenants of innovation around the world, across all sectors. What is fascinating is that empathy, meta-cognition and the elements of strong **relationships** and community are starting to be better understood as the core of 'good' business. Being that the field of tourism and travel is so expansive, it seamlessly melds in to this evolution of commerce, and has seemingly taken the lead in these processes.

A 'smart city,' as Cohen (2012) notes, is one that is capable of comprehending its contextual strength, and letting design flourish. The smart city concept actually complements and mirrors several unique processes occurring right now, and highlights a growing trend in tourism and travel. One of these processes is based on the growth of technological innovation around the civic, urban, and social challenges that cities face. *IBM*, of course, is now well known for their 'smarter planet' campaign, which highlights this particular trend. More and more, travel is becoming a means by which to greater facilitate the business and social aspirations of such companies, which are building highly localized, highly contextual solutions to urban problems. Some of this development, in the case of companies like *IBM* and *Sisco Systems*, is a private response to the progress of business, but this mindset is also very much alive in the public sector.

The example of Detroit is so stark, and is ripe for the loosening of regulation and policy that encourages prototyping. In my research, there was a constant buzz about the possibility for the city of Detroit to become *the* model for the re-structuring, re-formation, and re-branding of the urban space; A point only heightened when Detroit filed for bankruptcy just weeks before the submission of this paper. This is clearly something that is alluded to in Binelli's (2012) book on the city, but perhaps it is still a long way from fruition. What I have argued throughout this research, which perhaps is the biggest roadblock for a city like Detroit, is the inability to understand, like Curitiba and San Francisco, that the provocation of collaboration, and the allure of experimentation for creative businesses, entrepreneurs, artists and designers is the basis for growth and differentiation. As Burning Man has shown, perhaps this means providing greater autonomy to the individuals that most societies try to minimize. Allowing 'weirdos' and other eccentricities to flourish and contribute sits comfortably within the theory of creativity and innovation, which is often times a culmination of the collaboration among unique perspectives, and diverse experiences. The hacker culture, and the revival of the culture today, is one that has internalized this understanding to a great extent, and has become the basis for several of the hacking processes that are pushing innovation across sectors. One respondent alluded to this in the context of hackathons, but clearly the message is applicable across many fields and sectors. 'It is more to just get creative people in the room... and give them freedom to work on stuff outside of the constrains of bottom line' (Interviews, 2013).

There is a potential vitalization process that can occur between the attraction of entrepreneurs and human capital, especially if we understand, as Weitzman does (1998), that the capitalization of ‘good ideas’ is the basis for growth (Berry & Glaeser, 2005). What prototype tourism suggests, is that promoting the execution of creativity, through the temporary importation of talent, will ultimately develop a paradigm of innovation spurred by tourism; similar to what is happening now in the San Francisco Bay Area and Santiago de Chile. With a greater influx of talent and well-paid professionals via tourism, the tourists’ intimate connection with local development will spawn, not only ‘modern amenities,’ but also all the advantages associated with the influx of capital (Deben et al., 2000; Lloyd & Clark, 2001; Maitland, 2007). And as Fernando and Long (2012) poignantly note, the competitive advantage for tourism destinations is more and more dictated by man-made amenities, not natural.

Exploiting site-specific culture and knowledge, as Stamboulis and Skayannis (2003) discuss, is the future of tourism, where the traps of ‘traditional’ urban tourism, and ‘traditional’ culture are not drivers of development. As Lefebvre (1976) highlights, urban culture is largely the value and meaning that is derived from people in all sectors of society, and how they collectively define the space that they inhabit. Kauffman’s (1995) theory of complexity highlights how each physical and metaphorical destination poses a very specific environment with an infinitely complicated web of relationships, processes and meanings. Being cognizant and aware of this will help destinations hone in on their relative characteristics and strengths. To understand what constitutes a strength, however, there needs to be a concerted effort and research agenda by policy makers and the leaders of tourism. Lehrer (2012) writes that often we create environments that are stifling creativity and innovation, thus discouraging the creators from creating. There is an abundance of creative, talented populations throughout the global community, but as is the case of the San Francisco Bay Area, the economic success of a destination is grounded in its ability to incubate, nourish and facilitate that human capital in the processes around innovation (Anderson, 1985; Desroshers, 2001; Florida, 2005; Landry, 2000; Weitzman 1998).

To conclude the discussion, I want to recommend a book that came to my attention in the final weeks of my research period, and that corroborates and confirms my findings and the potential I see in prototyping processes. *Antifragile: Things That Gain from Disorder*, and its author Nassim Nicholas Taleb (2012) (despite the author’s clear disdain for academia) is a staunch advocate for allowing the ‘tinkerers’ in society to tinker, *in spite of* theory. As Taleb strongly argues, this research has shown that academia is often times tardy, and thus the theories described here are a culmination of the practitioners, and ‘doers.’ I have tried my best in this paper to explain the phenomenon observed during the research, and hopefully have created a strong enough argument for policy and strategy, in this case, to be defined by those already doing, rather than by any academic ‘theory and foresight.’

## Conclusion

As the literature review began, I would like to close with a discussion of the word creativity. What has been apparent throughout this research is the utmost importance of a destination in defining what creativity and innovation actually mean. What does that say about the notion of a ‘creative city?’ Is this not, in fact, a completely redundant expression that only fractures and misguides policy and urban planning. If there is a golden standard of what constitutes a ‘creative space,’ rather than a model by which to maximize pre-existing regional strengths, are cities not inclined to consume the same cool-aid that made the ‘Silicon Valley model’ so ubiquitous? As we have seen, creativity is grounded in understanding the unspoken, formulating hypotheses, testing assumptions and creating something new; tools that can be trained, honed and maximized. Potential is not projected at a selected group of people on this planet, but rather all can gain from a new approach toward culture and the qualities of the people who make up a space, rather than the belief and ideology that pervades a fractured society. Creative tourism, at its core, was a redefining of the cultural experience, and the processes of prototype tourism have only continued that evolution. As I started, the types of hard and soft culture that the Zadar Sea Organ so vehemently, yet melodically oppose are the same things that tourism can start to set right what it has openly propagated for so long.

Despite the rigorous approach to methodology, and the effort concerted to capture data and write a comprehensive analysis and discussion, there were two glaring limitations to the current research. As noted, the primary data collection in San Francisco was limited to five months because of the nature of the schedule of the associated master’s degree program, which is slightly limiting in an ethnographic research project. Secondly, a lack of ‘doing’ on my part, and not fully participating in a hackathon, or entrepreneurial venture observed during the research probably limited my absolute understanding of the experience, despite going to a number of events and carrying out the other primary methods described.

Despite these limitations, as with creative tourism, any ambiguity with the field ‘prototype tourism’ will give way with time. Eventually, individuals themselves will draw the ‘line in the sand’ between what constitutes the difference between business travelers, creative tourists, and prototype tourists. This research is a forerunner of what is to ultimately come for the field, but in the end self identified ‘innovators’ will validate the necessity to differentiate, as will the literature. For research going forward, the questions to ask will be: How is prototype tourism evolving from destination to destination? How is prototype tourism being used to create viable, systems based solutions to the world’s most pressing challenges? And ultimately, what collaborative processes within a destination are viable, ripe for innovation, and potentially exportable?

I am not totally in accordance with the quote from Mrs. Gates (Chapter 5.1) that businesses and governments cannot afford to make ‘bets’ for social change; actually, I would argue that businesses

and governments cannot afford to *not* make these bets – not just financially, but socially, environmentally, and even morally! Not only is everything available for non-philanthropic entities to seize the possibilities for social change, but those possibilities *must* be seized. Too much sense has been made in the argument for the evolution of government and business, and those early adopters like *IBM*, and *Cisco Systems* have understood this, and are making the first great strides in that direction; some cities are trying to keep up.

Travel, as noted in the literature review, should be seen as a tool to fully exploit the potential of getting diverse backgrounds and perspectives in the same room, so to speak. There has long been tourism's greatest potential lying dormant under the bulk of mass tourism. Surely, however, processes are developing, and should continue to grow in light of our understanding of what can be accomplished through design and prototyping processes. Understanding, as we have discussed, how public and private bodies, organizations and individuals are connecting and interacting within a given space is key to comprehend the direction of innovation. Policy aimed at better understanding the characteristics of networks that are prone to creating pioneering work should take the lead in local planning. Tourism, and prototype tourism specifically, can exploit this understanding of how certain interactions heighten innovation, where specific offerings can create the conditions for 'curated,' creative spaces; reminiscent of incubation spaces.

Tourism is often seen as an industry or sector that is stagnant, stale, and unable to evolve. These are not characteristics that are usually associated with imaginative, original, or innovative. Maybe tourism will never truly be the source of real social change, but as innovation is often times a product of the 'intersection' of multiple fields, tourism too has the innate advantage of bringing several disciplines together as one.

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## **APPENDICES**

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## **Appendix A: Semi-Structured In-Depth Interview Questions**

As was described in the methodology section of this paper (Chapter 1.4), the collection of data in grounded theory parallels the analysis, and thus the in-depth interview questions evolved with the theory development. I have positioned the questions below as they emerged during the course of the data collection. The dates indicate when each interview took place.

**Tuesday March 5<sup>th</sup>, 2013**

**Wednesday March 6<sup>th</sup>, 2013**

**Friday March 8<sup>th</sup>, 2013**

- What is innovation in San Francisco?

- How does what you do 'fit' in to the greater San Francisco setting? What is your/are their roles in the innovation setting in San Francisco? (Gunasekara, 2006).

- What are the perceptions of the stakeholders/the people participating/the policy makers/the organizers/innovation etc.? (Charmaz, 1990; Mazanec, 1997; Selby, 2004; Strauss & Corbin, 1998; Swarbrooke & Horner, 2012)

- How do participants make meaning from their time attending/participating/creating? What skills are they developing? What value is created? (Selby, 2004, p. 117).

- How are you collaborating with other's in the community (Jamal & Getz, 1995; Roberts & Bradley, 1991; Uzzi & Spiro, 2005)?

- How is what you are doing facilitating travel to and from San Francisco?

**Friday March 8, 2013**

- How do you see investment in social ventures/social entrepreneurship evolving in the San Francisco Bay Area?

**Tuesday March 12, 2013**

**Tuesday March 12, 2013**

**Tuesday March 12, 2013**

- How would you explain a hackathon?

- What is your knowledge of Mayor Lee's green tech initiative?

- How do you see processes like Swissnex and other soft landing sites playing out in the San Francisco Bay Area?

**Wednesday March 13, 2013**

**Tuesday March 19, 2013**

- How do you see elements of design/design thinking being introduced?

**Wednesday March 20, 2013**

**Friday March 22, 2013**

**Thursday March 28, 2013**

- How do you see 'smart city' development playing out?

- How is business travel facilitating greater collaboration and exchange?

**April 18, 2013**

## Appendix B: Supporting Quotes

Along with quotes included in the text, this is a sample (Clearly, not all of them) of corroborating quotes. Quotes that were collected during the data collection for this research, and that exhibit the basis for analysis for the entire research, or the theoretical codes.

### Prototype (Tourism)

*'West coast people will fly in for our education programs, because they just can't get access to a solid class about open frameworks near them, and its not quite the same to learn on line.'*

*'It is amazing how quickly cities have come to believe they need to be taking things more seriously about congestion pricing, about restoring wetlands to deal with flooding from climate induced super storms, and the list goes on.'*

*'We think about innovation very seriously in the context of experimentation and launch.'*

*'One. Is it is questioning a lot of the innovation as another iphone app.'*

*'Make is the new think.'*

*'We talked to the startup Chile folks, and people in Columbia, we've been talking to the city of Amsterdam, so a bunch of people who want a footprint in San Francisco.'*

*'Everything has been imbued with systems thinking, sustainability perspective, a design thinking, customer oriented perspective, and then kind of the new business, money and numbers aren't the only answer perspective.'*

*'But we really talk about innovation in solution development; whether that is products or services or other kinds of experiences, and at the core of that we see the source of real innovation.'*

*'We started an executive program, our fellows program, and that was designed as, again, a one weekend a month over 5 months executive program, the sort of highlights of the MBA program... When we created it, we always knew that that model could be exportable, so last year, we had 22 people form Singapore come here for a condensed version of that, a one week super condensed version of that, of that fellows program, and we also took the program to Tokyo, and did a 4 day condensed version, where we sent four people; same basic curriculum.'*

*'Brown University, which is my alma mater, which for the first time did a west coast accelerator, for their students and alums.'*

## **Relationships**

*'A very accepting people. You walk down the street, and people are friendly. You could be a complete stranger looking very different, you won't be shunned.'*

*'Experiment asked people directions on the street, and they rated the friendliness of the city based on how accurate directions were.'*

*'Any consumer based, product company, to go, who am I talking to, and how do I talk to them?'*

*'Money and meaning are starting to come together, profit and purpose.'*

*'Or innovation to really fundamentally shift, change the way we think about value and value creation, the way we think about utility the way we think about resources, the future, place, relationships – humans and non humans?'*

*'The definition of a community is no longer geographic, so we have ways to communicate through internet, or other technology that no one else ever had before.'*

## **Democratization**

*'It's this blend of technology and people from around the world with a very simple concept of stored value... addressing a very fundamental need, which is food, consistent access to food when the access to money is very sporadic, how that sporadic pattern can be smoothed out to not cause sporadic eating.'*

*'We're gonna get in a bunch of people who know how to do stuff, they are going to do stuff over a limited amount of time period, and then we're going to release that stuff.'*

*'That would be the perfect kind of thing to come out of an institute; to be proven out in our own incubation training, workshop, co working spaces. And then when it is sort of proven out, blast out to the whole world.'*

*'You can actually get credit for taking courses online, so that is a very competitive price point, it is called zero.'*

*'We have students from rich countries, poor countries, rich families, poor families, from blue collar to white collar.'*

## **Appendix C: Interview transcripts**

Available upon request