

The case for transforming SME research in tourism implications for policy, theory, evidence and impact

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Received 10 July 2025
Revised 26 August 2025
Accepted 3 September 2025

Abstract

Purpose – Small and medium-sized enterprises (SMEs) in tourism have attracted the attention of both policymakers and academic researchers. Yet, there is little evidence to suggest that the work of the former is influenced to a significant extent by the advances in knowledge claimed by the latter. The study's critique, supported by a narrative review of the literature, is twofold. Firstly, that the literature contains a degree of conceptual inconsistency on matters of substance affecting SMEs and that this weakens the clarity of analysis offered by academic researchers. Secondly, there has been limited research progress made on issues of fundamental importance to policymakers, and that significant gaps in understanding of other topics relating to tourism SMEs remain. This paper aims to enhance the ability of academic researchers to influence policymakers and the practice of SMEs by promoting the consistent use of foundational (or no longer contested) knowledge, reviewing where academic research has enhanced understanding and identifying research priorities. It demonstrates that a complex interplay of factors affects SME behaviour in various contexts and advocates greater innovation in theorising SMEs. The paper has implications for policymakers as well as for academic researchers.

Keywords Tourism policy, Entrepreneurship, Small and medium-sized enterprises, Research impact

Paper type Literature review

Introduction

Small and medium-sized enterprises (SMEs) are often vital dimensions of destinations' economies and embedded in local communities (Trupp *et al.*, 2024). It is not possible to be precise about what proportion of tourism businesses are SMEs because official definitions and, therefore, estimates of their incidence, vary between countries. There is a degree of consensus, however, that micro, small and medium-sized enterprises are the dominant form of business organisation in the sector, and that they represent at least 80% of all tourism businesses internationally, and that this figure is potentially higher than 90% in many countries (OECD, 2025: 9). The significance of SMEs is not lost on international agencies



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Tourism Critiques: Practice and
Theory
Vol. 6 No. 2, 2025
pp. 271-300
Emerald Publishing Limited
e-ISSN: 2633-1233
p-ISSN: 2633-1225
DOI 10.1108/TRC-07-2025-0033

associated with tourism. The president and chief executive officer of the World Travel and Tourism Council recently noted that “small businesses are the backbone” of the sector (WTTC 2025) and the United Nations World Tourism Organisation (UNWTO, 2025: 1) suggested earlier this year that “Supporting SMEs as agents of transformation in tourism will lead the way towards a more inclusive, resilient and sustainable sector”.

This makes tourism SMEs a focus of attention for policymakers as they seek to influence business behaviour with the objective of improving economic competitiveness, enhancing the sustainability of their locale and achieving a range of wider socio-cultural goals (Dias *et al.*, 2024). Yet, despite the centrality of SMEs to the tourist experience, policymakers struggle to engage a fragmented and diverse population of businesses (Ivanycheva *et al.*, 2023). The challenge of designing effective interventions is compounded by an inconsistent and incomplete body of relevant academic research from which policymakers might draw.

This paper is written against a backdrop of academic researchers internationally seeking to effect positive change in tourism via their research (Tribe and Paddison, 2024). It is designed to enhance the ability of academic researchers to gain “impact”. It achieves this by reviewing critically what is currently understood about tourism SMEs, revealing the complex interplay of factors that affect SME behaviour in various contexts and advocating for greater innovation in theorising SMEs. After highlighting significant gaps in knowledge, the paper proposes a research agenda that aligns with, but is not limited to, contemporary policy concerns that will be of direct and indirect interest to policymakers and SMEs.

This review adopts a narrative approach, which is based on a systematic search of the literature on tourism SMEs augmented by influential studies that fell outside its parameters. Many of the latter were familiar from our involvement in various research projects, whilst others became known from our reading. Our approach is consistent with those who combine significant experience of researching a field or topic with the outcomes of a systematic review of the literature to provide an interpretative narrative (e.g. Adarkwah, 2021; Turnbull *et al.*, 2023, and most recently in tourism Gössling and Scott, 2025). In rejecting the what they term a “spurious hierarchy of approaches” to reviewing the literature, Greenhalgh *et al.* (2018: 2) suggest that this method “align(s) with previous authors, who, drawing on Wittgenstein, distinguish between puzzles or problems that require data (for which a conventional systematic review, with meta-analysis where appropriate, may be the preferred methodology) and those that require clarification and insight (for which a more interpretative and discursive synthesis of existing literature is needed)”. The review is, therefore, inflected with elements of an “expert guided literature review” (Sovacool, 2021:2). It is designed to be illustrative of specific perspectives and themes that we identify as relevant for engaging academic researchers in more impactful work on the SME tourism policy–practice nexus.

Our starting point was a literature search on Scopus using the following keywords: “SME and tourism”, “SME and hospitality”, “SMTE and tourism” and “SMTE and hospitality” for the period between 2012 and 2025 (February). The dates are not arbitrary but follow the last major review in this field (Thomas *et al.*, 2011). The search was designed to scope out what types of literature continued to develop, what topics had emerged as new areas for research and what gaps still existed. This yielded 324 results. Fifty-one of these were rejected on the grounds that the publication was tangential to SMEs (it was not at all clear why the relevant keywords were used for most of these). Of the remainder, there were 218 peer-reviewed journal articles, 21 conference papers and 34 books or book chapters. Lastly, contemporary reviews of SMEs published in various disciplines (mainly business and management) were identified via searches of the most highly regarded SME-related journals. This was not to provide a comparison but to enhance our analysis and identify gaps in research that might not have otherwise been considered.

The thematic structure of the paper emerged from an inductive process based on an initial categorising of papers by topic, conceptual foundations and research methods. We also sought to align topics to prominent public policy concerns. In similar vein to Miklian and Hoelscher (2022), the agreed themes represent our judgement or interpretative position; inevitably there are alternative ways of organising the discussion. We recognise that narrative reviews inevitably contain subjective choices, which makes them difficult to reproduce, but it also enables authors to emphasise the more important contributions to illustrate particular points (Gössling and Scott, 2025).

The over-riding observation relating to the literature on tourism SMEs over the past decade is its fragmentation. There has been little consistent thematic development over this period. In the discussion that follows, we organise the research advances, and gaps, in a way that articulates with several prominent policy themes. The policy themes are not intended to be comprehensive but are used to show how academic research might be used and develop differently in this field to positive effect. Indeed, we argue that this coherent call for a transformation in research on tourism SMEs, and an indication of how this might be achieved, represents an important contribution of this paper. As far as we are aware, this is the first time that a state-of-the art review on tourism SMEs has been connected not only with a research agenda but one also designed to achieve non-academic impact.

The policymaking context

Empirical *academic* studies of SMEs in tourism adopt one of several definitions of “small” and “medium-sized” that subsequently inform individual projects. Many of these are quantitative because they enable samples to be specified easily when undertaking empirical projects and comparisons to be made when desired. The most common variables used in *official* definitions internationally also relate to numbers, especially the number of employees, turnover and assets. These are sometimes adopted by academic researchers as their definitions of SMEs. As Appendix 1 shows, there is far from universal agreement on what the size bands should be or even which aspects of size matter the most.

Such categories will ultimately be arbitrary but are, arguably, necessary for practical public policy purposes (e.g. taxation). Their value must be questioned, however, when adopted uncritically for academic research. As is argued in the next section of this paper, researchers should be sensitive to the qualitative differences between organisations categorised as SMEs to impede the term’s descent into a “fuzzy concept” (Markusen, 2003). The qualitative differences might then be operationalised by applying proxies such as turnover or employment, but they should be applied consistently and in full knowledge of what they represent. A failure to address the latter inevitably limits the value of subsequent interpretation and theory building.

To avoid the danger of misunderstanding, we are not proposing a single definition that could be applied universally to all sectors or even to tourism. Not only are we sceptical that such an endeavour is possible, we argue it is not desirable because it would overlook some of the key dimensions of the difference *between* tourism SMEs that have long been recognised (see e.g. Suriyankietkaew *et al.*, 2022) but not always realised by tourism scholars. Indeed, it might be of concern to researchers that public policy documents sometimes reflect greater sophistication in their construction of definitions than those contained in what purport to be more scholarly studies (see Appendix 1). The clarity of explanation provided in a submission to government by New Zealand’s Small Business Council (SBC, 2019) exemplifies the point. In advocating a flexible approach that is informed by current understanding of SME business behaviour in each sector, they suggest that “government agencies should segment the business population in a manner appropriate to the purpose or the problem being

addressed and consider how the context may change over time” (SBC, 2019: 1). The academic dimensions of this discussion are developed in the next section.

Prior to assessing academic research progress and proposing a research agenda, it is relevant to briefly consider the priorities of policymakers with an interest in tourism SMEs. Our intention here is not to produce an international audit of public policy perspectives relating to tourism SMEs. Instead, it is to illustrate and emphasise academic researchers’ “policy distance” (Markusen, 2003) in this regard when the literature is reviewed. Even a broad-brush approach such as that presented in Table 1 is instructive because it contains recurring themes, some of which reveal many areas of academic research inactivity, which may account for some arguing that the non-academic impact of tourism researchers is relatively low (Thomas, 2018). More constructively, it should point in directions where academic research might fruitfully be developed.

Table 1 provides examples of a range of current policy priorities for countries with very different socio-economic structures and those promoted by international tourism agencies. Despite the contextual differences between these example states, there is a high degree of overlap in policy priorities. This suggests a convergence (or hegemony) of ideas even if the details of policy dimensions differ. The most prominent cases relate to internationally significant issues of sustainability (including, but not limited to, climate change) and digital transformation. Perhaps less predictably, many of the national policy priorities also emphasise the business environment that tourism SMEs operate within (and the perceived need for regulatory reform), the promotion of effective management for business growth and innovation, access to finance and financial management and how organisations work with the state to improve policy and practice. These themes are discussed in relation to academic research endeavours in the remainder of the paper as a way of highlighting the dissonance between academic interests and policy debates, and the case for a transformation in how and what academic researchers choose to investigate.

Narrative review of the tourism small and medium-sized enterprise literature

This review engages critically with theoretical and empirical research that might be used to good effect to inform policy development. It is structured to broadly reflect the cluster of indicative policy priorities identified in Table 1 and organised as follows:

- research related to the management of tourism SMEs and how it might be improved;
- entrepreneurship and the entrepreneurial mindset (EM);
- sustainability and climate change;
- digital transformation of tourism SMEs; and
- improving the business environment for SMEs in tourism.

The review does not, however, limit itself to these topics. Where significant clusters of research that extend beyond these policy boundaries have emerged, these are also discussed. After all, there will undoubtedly be instances where creative academic research needs to lead, rather than follow the thinking of policymakers. The final part of the paper develops a research agenda noting that some important issues have been largely ignored by academic researchers and policymakers. Before proceeding, it is important to identify knowledge where there is a high degree of academic consensus. These we term foundational themes and argue that they should be adopted more consistently than at present by academic researchers.

Foundational themes

It is important at the outset to briefly establish some of the key principles that underpin this paper. Thomas, Shaw and Page (2011) emphasised the need to be clear about why “SME”

Table 1. Tourism SME policies: indicative policy priorities

Policymaker priorities of various agencies		
Areas of UN Sustainable Development Goals where tourism SMEs are seen to have a particularly positive role		
National agencies	OECD tourism SME priorities for governments	
Global North		
Tourism Australia's support for businesses	Strengthen destination management systems to include SMEs	
• Information and support for growth • Digital transformation • Labour supply issues • Support for indigenous businesses • Financial aspects		
European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden. Transition of the tourism ecosystem (SMEs)	Goal 1: Poverty alleviation	OECD tourism SME priorities for governments
• Digital transformation • Sustainability • Membership as above EU Small Business Act* • Create a supportive business environment • Ensure that business failure does not lead to exclusion from future opportunities • Adopt a "think small first" approach to rules • Consider SMEs in public administration • Use public policy tools to support SMEs in public contracts • Improve financing of SMEs • Assist SMEs to operate in the single market • Promote innovation and skills development in SMEs	Goal 5 Gender equality	Support low carbon transition
	Goal 8 (including) Inclusive and sustained economic growth	Support digital uptake by SMEs

(continued)

Table 1. Continued

Policymaker priorities of various agencies Areas of UN Sustainable Development Goals where tourism SMEs are seen to have a particularly positive role		OECD tourism SME priorities for governments
National agencies Global North	• Help SMEs with environmental adaptation • Encourage SMEs to grow United States of America (USA) Department of Commerce – Travel and Tourism • Reduce regulatory burdens • Promote growth	Optimising socio-economic contribution to local communities
Global South Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay Peru, Uruguay. SME policy index: Latin America	• Institutional structures for SME participation in policymaking • Regulatory reform (deregulation) • Improved statistics on policy outcomes • Enhance financial education and products for SMEs • Promote digitalisation of SMEs • Support ways of SMEs working with larger firms • Improve efforts to close gender gaps • Improve SME environmental practices (decarbonising) Armenia, Azerbaijan, Georgia, the Republic of Moldova and Ukraine SME policy index: Eastern Partnership (EaP) • Support digital transformation • Update institutional arrangements for support of SMEs • Access to resources at different stages, including finance, for growth • Simplified regulatory environment	
	Goal 9 (including) Foster innovation	
	Goal 12 Sustainable consumption and production patterns	
	Goal 13 Climate change	

(continued)

Table 1. Continued

Policymaker priorities of various agencies		OECD tourism SME priorities for governments
Areas of UN Sustainable Development Goals where tourism SMEs are seen to have a particularly positive role		
National agencies	Global North	
• Support competitiveness measures • Strengthen evidence-based policymaking Gambia's National Policy for MSMEs 2019–2024		
• Tourism identified as a priority sector • Policy measures that consider the needs of MSMEs (micro-, small- and medium-sized enterprises) • Reduce infrastructure costs • Promote quality standards • Support innovation • Support business networks		Goal 15 (including) Halt biodiversity loss
<i>Transnational</i>		
South Africa International Labour Organisation		Goal 16 (including) Promote accountable and inclusive institutions at all levels
• Reduce onerous business regulations • Support for diversification of markets • Provision of business information • Assistance with business planning and risk management • Financing of tourism SMEs		

Note(s): *Even though it is not legally binding, the SBA contains a set of principles designed to guide the actions of member states. Specific measures are developed by each country to reflect individual circumstances. It has influenced various subsequent economic, employment and industrial strategies (see e.g. https://single-market-economy.ec.europa.eu/industry/strategy_en)

Source(s): European Commission (2008), European Commission (2024), European Union (2024), ILO (undated), OECD (2024a, 2024b), Tourism Australia (2024), [www.UNWTO.org: https://faolex.fao.org/docs/pdf/gam212369.pdf](https://faolex.fao.org/docs/pdf/gam212369.pdf); UN Department of Economic and Social Affairs (undated) (2025)

was useful as an analytical category and how it might be operationalised. There is no need to repeat their observations, but it should be noted that what follows is predicated on the following. Firstly, that the characteristics and behaviour of SMEs differs from larger enterprises principally because of their informality. This implies that models and theories developed in the context of corporations have little or no applicability to SMEs. This is still not always recognised in the tourism literature. For example, it is noteworthy that some studies that are ostensibly concerned with SMEs draw their theoretical insight from an entirely separate body of literature. In this vein, we would argue that [Estiri et al. \(2022\)](#), for instance, limit the value of their research on crisis management and organisational resilience in SMEs by locating their work in the crisis management literature and, in doing so, pay too little attention to the potentially important organisational features of tourism SMEs (see also [Siddique et al., 2024](#)).

Secondly, although an understanding of smaller businesses in tourism often benefits from frameworks disseminated via the SME and entrepreneurship literatures, contributions that do not recognise the peculiarities of the sector offer limited insight ([Thomas et al., 2011](#)). This is not because they are insufficiently theoretically sophisticated but because most of the mainstream SME and entrepreneurship journals appear not to be particularly interested in tourism firms or assume questionable similarities with other sectors. Arguably, for this reason, and perhaps contrary to popular discourse, at its “best” the tourism literature is often stronger than “mainstream” outputs when tourism SMEs are considered.

Thirdly, the COVID-19 pandemic stimulated greater interest in tourism SME research, highlighting the vulnerability of SMEs in relation to their exposure, risk and coping strategies towards the pandemic ([Sun et al., 2022](#)). The studies relevant to this review are incorporated into the paper rather than being dealt with as discrete COVID-19-induced research. They are discussed in terms of what they tell us about, for example, resilience (e.g. [Memili et al., 2023](#)), finance (e.g. [Song et al., 2023](#)) or innovation and technology adoption (e.g. [Shwedeh et al., 2022](#)). This leads to a more integrated treatment of the various themes. The remainder of the paper considers substantial clusters of research or topics of fundamental importance to tourism scholars and other communities of interest. They are organised to reflect the potential contribution they may make to the deliberations of policymakers.

Management and tourism small and medium-sized enterprises

One of the most striking aspects of research on the management of tourism SMEs over the past decade is its scarcity. Apart from a few sporadic studies, there has been little theoretical advancement in our understanding of SME behaviour and practice that might be described as systematic. There has, however, been some progress. There is greater appreciation of how tour operators exert a positive influence on technological adoption among SMEs in the hotel sector ([Romero et al., 2023](#)), for example, and that business planning generally enhances success ([Mohand-Amar, 2024](#)). Further, small and medium-sized hotels and restaurants can usefully adopt “coopetition” as a means of addressing skill shortages ([Jooss et al., 2023](#)) and for fostering innovation ([Romero et al., 2019](#)). It is also evident that particular forms of trust between actors influence knowledge sharing in tourism SMEs ([McTiernan et al., 2023](#)), and that this articulates with social capital and place attachment as important contributors to the business outlook of owner-operators ([Hallak et al., 2012](#)). Nevertheless, these valuable studies remain relatively isolated cases within the literature.

[Lindsay-Smith et al. \(2022\)](#) exemplify some of the more novel research relating to managerial issues in tourism SMEs. They make connections between the crises faced by business owners and managers over recent years, notably during the COVID-19 pandemic,

and levels of anxiety, depression and low mood. The longer-term deleterious effects of that crisis on mental health are, they argue, likely to worsen without countervailing interventions. Additional research is required to understand the extent to which their revelations extend beyond the Australian context and, if so, what mitigating measures might be appropriate to enhance resilience to deal with the vicissitudes to tourism markets.

Few researchers have, over the past decade, taken an interest in the ways financial decisions are taken within tourism SMEs. Although inferences might be taken from what is understood more generally about lifestyle entrepreneurs (Ivanycheva *et al.*, 2023), little research has drawn upon frameworks used in the fields of small business economics and finance. The exceptions are insightful. Camisón *et al.* (2022) draw upon classical theory of finance, agency theory and aspects of behavioural economics to suggest that the relationships between family ownership and external debt for investment are more nuanced and complex in the context of this type of firm than has been understood hitherto. Moreover, a key aspect of the ability to raise debt capital rests on the intangible reputation of the business which, for this category of organisation, is not easily available to the providers of capital. The implication is, therefore, that measures to reduce this information asymmetry, are likely to improve access to capital. Further work, beyond Spain, would enhance the value of this research.

Other studies are promising, but their scope and geographical specificity severely constrain any claims to universality. Song *et al.*'s (2023) assessment of the cost of borrowing during the COVID-19 pandemic, for example, says more about innovative and socially oriented SMEs in Vietnam during this crisis than it does about the implications of capital constraints. Similarly, Costa and Mota's (2021) study of Portuguese SMEs in the hotel sector probably raises more important questions about earnings and management than it answers. In other words, these studies are important because they highlight the need for tourism SME research in these domains, especially if academic researchers are to influence policymakers.

Lin *et al.*'s (2024) research of small tourism business' access to capital is potentially more significant, especially for its international reach. They emphasise the importance of information flows associated with classical explanations of SME access to capital but also reveal how cultural factors, notably gender and power-distance relationships, influence decisions to secure formal and informal sources of capital in particular contexts. Not only is their work theoretically valuable, it should also prompt policy discussions leading to greater transparency of lending processes.

Most studies relating to the management of tourism SMEs generally position themselves within discourses of improving performance. This is understandable as notions of "success", apart perhaps from those relating to lifestyle entrepreneurship, centre on commercial attributes or strategies for nurturing growth. Thus, Biconne *et al.* (2024) confirm the value of open innovation in very small tourism firms and show why some firms prosper and other do not. Two recent studies (Sánchez-Medina *et al.*, 2020; Williams and Rodríguez Sánchez, 2024) highlight the value of focusing on failure and disengagement from business activity. The first provides an innovative conceptualisation of knowledge mobility following entrepreneurial failure. In doing so, it proposes what it terms three post-failure knowledge trajectories, namely, the reuse of knowledge by serial entrepreneurs, a recombination of knowledge by third parties and potential non-use. Their contribution prompts important questions, *inter alia*, about how tacit knowledge might be harnessed to positive effect by those seeking to enhance sectorial innovation (Williams and Rodríguez Sánchez, 2024).

In their study, Sánchez-Medina *et al.* (2020) provide an alternative orientation by asking questions about those who decide to abandon or withdraw from otherwise successful SMEs. Their findings suggest that "workaholism" contributes to declining satisfaction and might be

mitigated by the introduction of a range of public interventions designed to support more efficient management, though these recommendations are speculative. Regardless of the utility of their practical recommendations, their work accentuates a gap in understanding why and how small business owners might leave a successful business.

Although SME performance is still being examined by tourism researchers, a focus on growth is almost entirely absent. This is in sharp contrast to researchers of SMEs more generally where there has been a resurgence of interest in the factors that stimulate and enable some enterprises to grow, while others do not, even when they want to. Some reflection on [Audretsch et al.'s \(2023\)](#), [Kindströma et al.'s \(2024\)](#) work might usefully prompt similar studies in tourism. Their pursuit of explanations for growth if replicated in tourism might yield insights of value to policymakers interested in local economic development and strengthen our claim to “relevance” of academic research.

Entrepreneurship and the entrepreneurial mindset

Much of the existing literature on tourism SMEs has viewed entrepreneurship from a perspective of owner-manager characteristics and their motives for establishing a business (for a contemporary example, see [Li and Gao, 2025](#)). The owner-manager focus has, with some exceptions (see for example [Tomassini et al., 2021](#); [Zhang et al., 2021](#)), seen little theoretical development since the topic was reviewed more than a decade ago ([Thomas, Shaw and Page, 2011](#)). However, the entrepreneurship literature has seen major developments that have barely scratched the surface in tourism despite their significance, with concepts such as “resourcefulness” and “bricolage” only recently starting to emerge in the tourism literature (e.g. [Fu et al., 2020](#); [Yachin, 2020](#); [Hernández-Barahona et al., 2022](#)).

Over the past decade, there has been increasing focus on the EM, though consensus on how it should be conceptualised has been the subject of debate ([Naumann, 2017](#)). [Daspit, Fox and Findley \(2023\)](#) found 19 definitions documented between 2000 and 2020. Their analysis allows them to present an integrated definition, which defines EM “as a cognitive perspective that enables an individual to create value by recognising and acting on opportunities [...] and resilient in conditions that are often uncertain and complex” ([Daspit et al., 2023: 17](#)). Likewise, research by [Kariuki et al. \(2022\)](#) attempts to unpack the notion of EM, which they argue consists of three distinct aspects, namely, a cognitive component – relating to how entrepreneurs utilise mental models to help shape their decisions ([Shepherd and Krueger, 2002](#)), a component relating to entrepreneurial behaviour or how entrepreneurs act upon business opportunities and an emotional component in terms of what entrepreneurs themselves feel is entrepreneurial behaviour. In addition, from their composite review of EM, [Daspit et al. \(2023\)](#) derive six dimensions. These include: value creation, recognising opportunities, the ability to be flexible, making of decisions based on their intuition and, lastly, the use of complex situations.

Whilst the dimensions have largely been ignored within the tourism literature, there is an emerging body of research using the ideas developing around the EM. To date, much of it is from the Global South and the Middle East. These studies are somewhat variable in quality but are worthy of note for their attempt to break new ground in our understanding of EM. Examples include the contributions made by [Abdelwahed and Alshaikhmubarak \(2023\)](#), [Ramdani et al. \(2023\)](#), [Pongtanalert and Assarut \(2022\)](#) and [Staber and Sydow \(2002\)](#). However, more robust research is required before significant knowledge claims can be made in this area. Once progress has been achieved, developing a greater understanding of EM by policymakers seeking to enhance the dynamism of the SME sector offers the possibility of constructing better informed interventions.

Social capital is seen by many commentators as an essential additional element of the EM. In their study, [Pongtanalert and Assarut \(2022\)](#) presented supportive evidence of its importance when they explored the behaviours of struggling SMEs. One of their key conclusions was that cluster policies regarding such businesses should focus on developing social capital as a means of improving knowledge transfer and developing management skills. Similar emphasis has been given to enhancing tourism micro businesses by developing networks to enhance entrepreneurial learning in cultural tourism businesses ([Nieminen and Lemmetyinen, 2015](#)).

More specifically social capital is viewed as a (social) resource associated with the capacity of social networks cooperating and working together ([Adamtey and Frimpong, 2018](#)). In this context, there is a strong element of mutual trust along with the obligations of knowledge sharing. [Lee and Hallak \(2020\)](#), in their study of tourism SMEs in New Zealand, highlight the differences between bonding and bridging social capital. In doing so, they argue “that social capital is context specific”, (p. 3), by comparing online and offline social capital.

The importance of social capital linked with the concept of EM may be seen as a combination of critical factors that have aided SMEs to improve their resilience in a crisis such as the COVID-19 pandemic ([Pongtanalert and Assarut, 2022](#)). [Teixeira et al. \(2019\)](#) reveal the importance of social networks in securing the resources required to establish new small businesses in tourism.

Other studies of tourism SMEs have given attention to a creative mindset. For example, [Yodchai et al. \(2022\)](#) argue that the creative mindset is a critical factor at the heart of business achievements as it relates to a key element in an EM. In their study, two types of entrepreneurs are recognised, namely, a creative or growth mindset and a fixed mindset. The significance of the creative mindset is critical in many aspects of the EM. However, this appears to be impacted by age, gender and education according to the author’s study.

We would argue that our understanding of the behaviour of tourism SMEs can be enhanced via unpacking elements of the EM alongside the significance of social capital in all its forms. In addition, more attention needs to be given to ideas surrounding the creative mindset.

Overall, the key aspects we have outlined, which relate to the EM, are compelling for three key reasons. Firstly, they give a fresh perspective to the notion of entrepreneurship. As [Daspit et al. \(2023: 31\)](#) point out, the EM often occurs in conditions that are uncertain and complex. [Zhang and Chun \(2018\)](#) illustrate this via business initiatives led by (im)migrants. Secondly, key aspects of EM are increasingly being used as a tool to enhance the development and growth of SMEs in such places as Bahrain and Saudi Arabia. Lastly, EM is being driven by policies in economies such as Thailand with its high-level dependence on SMEs in the tourism sector. The latter two have been promoted in developed economies, sometimes uncritically, for some time.

Sustainability and climate change

One of the policy domains that perhaps most surprisingly suffers from a deficiency of tourism SME research is that related to the environment and the sustainability agenda more generally, where direct benefits to the business are often evident (e.g. cost savings as well as more altruistic motives). Major public policy debates and advocacy initiatives among national and supranational bodies such as the European Union (https://single-market-economy.ec.europa.eu/smes_en), UNWTO (www.sustainablefirst.com/sustainable-news/unwto-rethink-and-transform-tourism-by-supporting-talent-and-smes/) and OECD (www.oecd.org/en/about/directorates/centre-for-entrepreneurship-smes-regions-and-cities.html) have led to little more than a trickle of research related to tourism SMEs. Several valuable papers

have emerged from evaluations of specific initiatives, but these can be constrained by what the client organisations feel are important questions (and what they do not feel worthy of study) (e.g. [Liu et al., 2020](#); [Sanabria-Diaz et al., 2021](#)). It appears, therefore, that research in this area identified more than a decade ago by [Thomas, Shaw and Page \(2011\)](#) failed to develop into a body of knowledge that might illuminate and inform practice.

[Gössling and Reinhold's \(2024\)](#) stark assessment that SMEs contribute approximately half of the sector's carbon emissions both justifies the importance of examining associated research questions and emphasises how perplexing it is that so few studies have been undertaken on this topic in recent years. The authors present their review as a set of pressures, incentives and barriers to acting on climate change. Drawing on publications heavily skewed towards practical action, they propose an SME-destination action model whereby public policymakers, SMEs and visitors collaborate to enable change. Although important for its highlighting of the need to effect behaviour change among tourism SMEs, their contribution adds little that is new (see discussion in [Thomas, Shaw and Page, 2011](#)). The climate debate continues to pivot on several critical axes: the extent to which the central feature of climate change will dramatically constrain future SME activity by region and the ability to adapt or mitigate the effects of climate change (see [Saarinen, Fitchett and Hoogendoorn, 2022](#)) and the interest of the SME sector to engage with the issues as a “nice to have” but not a feature of their business operations ([Pandy and Rogerson, 2019](#)). The other axis is the extent to which SMEs are willing to embed their business operations in a truly sustainable paradigm, beyond selectively choosing the cost savings measures it often offers. Here a commitment to issues such as net zero and decarbonising the supply chain are relevant following the lead of the [World Travel and Tourism Council \(2021\)](#).

Many commentators have identified the challenge of understanding how tourism SMEs learn about what they might do to improve their environmental behaviour and this is often seen as a stepping stone to garner the “hook” into more sustainable business operations ([van Mierlo and Beers, 2020](#)). [McTiernan et al. \(2023\)](#) address this issue by considering how trust between business owners operates and the extent to which these influence knowledge flows between peers. Their paper accentuates the complexity of knowledge acquisition and action and leads them to propose a model of trust in the knowledge transfer process. Unfortunately, empirical verification and deliberation of what the results would mean for those seeking to influence business practices remains to be addressed. Nevertheless, trust remains a neglected theme within tourism research despite its underlying significance to building brand loyalty, business-to-business relationships and in-business working relationships. A failure to understand the role of trust is likely to hinder the value of tourism SME public policy deliberations, notably at a local level.

An alternative starting point with great potential for understanding the sustainability practices of smaller tourism enterprises relates to identities, as explained by identity theory. Two valuable contributions have been published recently that warrant attention. [Kieffhaber et al. \(2020\)](#) show the complexity of identity construction by revealing six distinct sustainable-related identities among tourism SME owner-managers in New Zealand. The central premise of their contribution is that “an adequate institutional environment can foster the development of sustainability related identities, which in turn can lead to cultural evolution towards more sustainability” ([Kieffhaber et al., 2020: 37](#)). [Tomassini et al. \(2021\)](#) also use the narratives of ethically conscious entrepreneurs to reveal how their identity construction guides their business practices in a manner that transcends a commercial lifestyle dichotomy. In addition to making important theoretical contributions, these papers prompt new ways of framing interventions to encourage pro-environmental business practices.

[García et al. \(2023\)](#) combine an interest in responsible leadership practices with the business performance of tourism SMEs. They develop a framework of the characteristics of responsible leadership based upon their review of existing literature, synthesised via a panel of experts. Their approach is thoughtful in overcoming the challenge of gaining insight from studies conducted among business operations of various scale operating in different sectors. Notwithstanding concerns over how “experts” are defined and used ([Sanchez and Dunning, 2023](#)), their study is useful for its application to the practices of a selection of tourism SMEs. The indicative study suggests connections between a core of responsible business management practices and financial performance, emphasising the role of innovation ([García et al., 2023](#)).

Digital transformation of tourism small and medium-sized enterprises

“Digital transformation” is a policy priority for many official institutions with an interest in tourism (see [Table 1](#)). There are numerous statements and programmes designed to enhance the speed of adoption but little suggestion, yet that such initiatives are successful beyond the margins. It is also a research domain that has attracted the attention of academic researchers but not one that, at present, offers sufficient insight to guide the actions of policymakers. Some commentators share policymakers’ concerns that more tourism SMEs should become adopters of technology, with contributions relating to marketing ([Gutiérrez et al., 2023](#)), sustainable tourism ([Gössling and Mei, 2025](#)) and skills ([Parsons et al., 2023](#)). However, it remains the case that recent systematic reviews of the field have confirmed the absence of research on the digital transformation of tourism SMEs regardless of the approach adopted (see, e.g. [Bekele and Raj, 2025](#); [Cheng et al., 2023](#); [Madzik et al., 2024](#)).

Within the wider business and management literature (e.g. [Kraus et al., 2022](#)), it is defined as “as the integration of digital technology into all aspects and operations of an organisation, which in turn leads to infrastructural changes in how the organisation is operated and delivers value to its customers” ([Kraus et al., 2022](#): 2). It may also enable businesses to do more for less, simplifying the structure of the organisation, potential outsourcing of functions (e.g. contracting to a call centre to handle customer queries) and combining multiple tasks into one role for an employee, empowering employees to make decisions, thereby reducing the need for managers. For SMEs, this will require understanding and implementing such technology, involving training and expertise, but the benefits involve better engagement with its customer base, using online social networks for marketing and communication as well as being able to respond more seamlessly to clients. Yet, many of the studies of tourism SMEs (e.g. see [Alford and Page, 2015](#), for a review of SME marketing and technology) illustrate the steep learning curve faced by many SMEs in the fast-moving field of technology. Nowhere is this more evident than in the rise of artificial intelligence(AI) and SMEs.

Further research on this radical systemic change of business practices is woefully inadequate and even threatens to undermine current perspectives on the management of tourism SMEs. This is becoming most evidently when AI is considered. [Tussyadiah \(2020\)](#), [Doborjeh et al. \(2022\)](#), [Prahadeeswaran \(2023\)](#) have all usefully explored key papers relating AI to tourism activities. Further, there are isolated cases of academic researchers studying AI with a focus on AI within tourism but say little or nothing about the impact of AI on SMEs. There is, therefore, currently a significant gap in our in-depth knowledge of the impact of AI within SMEs.

Lastly, as has been alluded to elsewhere in the paper, there is an important distinction to be made in terms of research and policy development, between small and medium-sized organisations. At present, they tend to be grouped together, yet the foundational knowledge

suggests that the significant differences between these categories will influence their disposition to and ability to incorporate all kinds of technology into their operations. This is an area where research effort is likely to yield valuable insights that would help shape what is for many a policy priority.

Small and medium-sized enterprise participation in shaping the regulatory environment

There is a long-standing and on-going acceptance among policymakers that SMEs in all sectors face what are potentially burdensome regulations that stifle investment and growth (see Table 1). The aim of policymakers is generally to reduce the overall costs of complying with regulations via their removal or simplification. Yet, achieving this goal is proving challenging. In the UK, for example, a recent report noted that between 2019 and 2024, regulatory compliance costs increased by £14.3bn against a target of no increase (<https://rpc.blog.gov.uk/2023/09/15/the-increase-in-the-cost-of-regulation-on-business-and-the-end-of-the-bit/>). Similar official observations have been made elsewhere, e.g. in Australia (www.abc.net.au/news/2023-11-09/red-tape-costs-double-in-queensland/103080560), Europe (file:///C:/Users/thomas07/Downloads/executive-summary_en.pdf) and the USA (<https://sbecouncil.org/2024/03/11/bidens-ever-growing-list-of-regulatory-costs-for-small-businesses/>).

Although intuitively appealing, what little evidence exists reveals a complex interplay of processes leading to differential outcomes for SMEs depending upon, *inter alia*, the sub-sector being discussed (Mallett *et al.*, 2019). There is a wealth of evidence of suggest the unpopularity of many regulations but little that their effect is to constrain business development. Indeed, some have suggested that aspects of regulatory frameworks in some contexts, perhaps when they protect property rights or screen out rogue operators, can help SMEs flourish and grow (Mallett and Wapshott, 2022). In spite of its ubiquity as a policy concern, this topic has received no academic investigation in the context of tourism SMEs since the early 2000s (Thomas *et al.*, 2011). In that respect, it represents one of the most conspicuous examples of dissonance between the worlds of policymakers and that of academic researchers.

A related deficiency of research on tourism SMEs is the lack of recent scholarly work on their participation in political processes. This is despite the substantial literature on stakeholder and network analysis that are often composed of SMEs. Indeed, there has been little obvious advancement since the publication of research undertaken by Hall (2009) on small business participation in local tourism policy formation. Scepticism about the ability of tourism SMEs to navigate political systems effectively at various levels, therefore, remains prevalent. This extends to their apparent inability to influence regulatory frameworks and fiscal rules at national levels (Pillmayer and Scherle, 2014; McKercher, 2022) because, in part at least, SME interest groups do not have leadership roles in policy forums that matter. In many cases, SMEs are “consulted”, typically in professional, trade or local settings where their views appear to be marginalised. This lack of political leverage is evident even in destinations with large clusters of tourism SMEs. Recent discussion of “overtourism” illustrates the point, where SMEs are held to be culpable as part of the Airbnb-type over-provision, are now facing restraints on their activities in, for example, Amsterdam, Barcelona and New York City.

A number of papers have contested the view that tourism SMEs have little political influence and leverage. These have emerged in various disciplines and fields of study and offer a counterpoint to the prevailing view. Among these, Westman *et al.* (2020), for example, have argued that their empirical research shows that SMEs have greater political agency than is often presumed. Their research participants included, but were far from limited to, hospitality and tourism firms. The researchers point to “a myriad of ways in which owners and managers of SMEs participate in political processes” (Westman *et al.*, 2020:4).

These comprise what they call informal activist networks, as well as more formal engagement. They demonstrate how SME actions can, and often do, align with personal and political values, but they are less convincing in their demonstration of impact on policy. Tourism scholars have also demonstrated similar alignments to values (see, e.g. [Kieffhaber et al., 2020](#); [Tomassini et al., 2021](#)). However, there is little evidence provided in the literature of policy change occurring because of SME advocacy.

This research deficiency is important because agencies such as the United Nations (UN) emphasise that their Sustainable Development Goals will only be met via a partnership between private and public sectors ([Rashed and Shah, 2021](#)). Moreover, and of greater relevance to this paper, the UN World Tourism Organisation (UNWTO) also routinely makes claims about the importance of partnership working ([Scheyvens and Cheer, 2022](#)). Yet, the practical policy responses to emerge in relation to overtourism, for example, are crisis management measures and do not demonstrate a partnership approach; the stakeholders with the greatest political agency are residents who are vocal and responding to perceived negative effects from many SMEs operating in the sharing (or platform) economy.

Greater attention has been paid to the evaluation of specific policies aimed at changing SME behaviour and the extent to which public authorities create conditions for SMEs to flourish. Sambajee, Zulficar and Dhomun's (2015) useful examination of tourism SME "enabling" and tourism SME "constrained" environments in the Maldives and Mauritius is thought-provoking but did not prompt a flurry of interest and replicated studies elsewhere. This is disappointing because the knowledge generated does not, therefore, lead to more universal advancements in understanding of tourism SMEs. [Estiri et al. \(2022\)](#) assessment of government policies developed in response to the COVID-19 pandemic provides further illustration. Their research reveals practical evidence for policymakers of the efficacy of various financial support packages during a period of crisis, but only in Iran. In related vein, [Alhamawndi and Almahmoud \(2020\)](#) assessed the contribution of business incubators to the success of SMEs in Iraq. Their informative study may assist regional policymakers, but its wider impact will be limited because it has not been replicated elsewhere where economic and social conditions will be substantially different.

The fragmented body of policy-related knowledge is in sharp contrast to the substantial support available to SMEs internationally (e.g. [Tsuruta, 2020](#)) and may go some way to explaining tourism researchers' relative lack of non-academic impact ([Thomas, 2018](#); [Phillips, Page and Sebu, 2020](#)). Even where SMEs have had opportunities to demonstrate policy innovation, such as joining dementia-friendly communities in coastal England, the evidence suggests that there is a tendency to follow the local trend rather than directly impacting the policy process ([Connell and Page, 2019](#)). Clearly, more research is required on how SMEs might articulate with policymaking processes most meaningfully.

Prominent gaps in tourism research

Much of the preceding discussion has lamented the absence of specific academic research that might inform effective policy development. Yet, there remain additional omissions that are more general and diminish the potential support academic researchers might offer policymakers. One of the increasingly noticeable deficiencies in tourism SME research is the absence of non-western perspectives in the most recognised tourism or SME journals. [Cohen et al. \(2018\)](#) and [Richards et al. \(2022\)](#) ascribe this to what the former call the hegemony of western publication regimes. The elevation of English-language scholarship by so many systems of higher education (including those where English is not the official language of that country) regulates the behaviour of academics. If promotion panels are impressed by dissemination in a limited range of "ranked" journals that dominate the western ethos of

business and management research, it is little wonder that perspectives become constrained and alternative paradigms are limited.

Although making the case in the context of management research more generally, [Wickert et al. \(2024:2\)](#) are cogent in their critique of western-centric approaches and are strident in arguing for non-western research “encompassing not only data and samples, but also phenomena, theories and ideas more generally [...] as it might potentially shake up established wisdom”. As [Page and Duignan \(2023\)](#) recently demonstrated in relation to urban tourism, a “southern turn of theorising” has emerged to develop theory that better fits the circumstances and environment that exist in Asia and Africa (see also [Rogerson and Rogerson, 2021](#)). We have already emphasised the need for more theorising to differentiate large and smaller organisations in tourism because of their contexts. Similarly, greater plurality and imagination is required when examining tourism SMEs in the context of the Global South (e.g. [Madila et al., 2022](#)).

There are four further areas that are almost completely absent from tourism research yet offer the potential for prompting theorising and empirical projects that would enhance our understanding of tourism SMEs significantly. The first is to consider, and extend, debates on social justice and tourism into tourism SME research. [Bruton et al. \(2023\)](#) offer a potentially fruitful starting point for such endeavours. They argue that research on entrepreneurship is almost exclusively framed in apparently racially neutral terms whereby inequality can be acknowledged but is not considered as part of the relevant theorising; from this perspective, inequality or injustice is seen as exogenous to theories relating to the dynamics of SMEs. From this vantage point, the challenge becomes one of overcoming discrimination by perhaps encouraging the promotion of attractions to visitor markets which are more reflective of the wider population. Looked at this way, recognising diversity has emerged as a “good” way of strengthening business performance, including among social enterprises, while simultaneously addressing particular social ills (e.g. [Connell et al., 2024](#)).

In rejecting a “race neutral lens”, [Bruton et al. \(2023\)](#) are radical and, therefore, more likely to yield transformative insights via more expansive theorising. We argue that greater research effort should be placed on understanding the structural and agential constraints to entrepreneurship in tourism among not only racially marginalised groups but more widely where issues of social inequality are present.

Secondly, and with some notable exceptions, there is insufficient theorising on SMEs’ resilience and how they approach the managerial difficulties they face during times of crises. The recent work of [Seyfi et al. \(2025\)](#) is noteworthy in this respect. They reveal how female entrepreneurs in Iran have responded to the challenging effects of international economic sanctions and the obstacles of operating within a religious theocracy. They introduce the notion of gendered entrepreneurial resilience, which warrants further attention from academics (see also [Nurse et al., 2025](#), for a discussion of resilience among black entrepreneurs that might be used to inform studies in tourism.)

Apart from [Seyfi et al.’s \(2025\)](#) contribution and the dramatic effects of the COVID-19 pandemic, the resilience of tourism SMEs has attracted little attention. This contrasts with the mainstream SME literature. [Kindströma et al. \(2024\)](#) recent contribution provides illustration and may stimulate related work in tourism. They argue for a re-assessment of what is understood about leadership-oriented challenges, people-oriented challenges and business-model oriented-challenges as a means of structuring an approach to future research in this area. Moreover, they then show how effective integration between these concerns and a balanced approach explains success. [Audretsch et al. \(2023\)](#) provide a different organising framework, foregrounding most notably the role of new technology, but ultimately advocate

the same kind of coherence. How these factors “play out” in contrasting tourism contexts would offer significant advancement to our understanding of SME dynamics.

Thirdly, there has not been an expansion of theorising on tourism SMEs and poverty alleviation that might have been anticipated given the first of the UN Sustainable Development Goals (www.unwto.org/tourism4sdgs). Pro-poor tourism continues to attract the attention of academic researchers (for recent examples, see [Zhang, Wang and Yang, 2023](#); [Lagos and Wang, 2023](#)), but SMEs receive no more than a passing consideration in most studies. When they are discussed, they are seen to be almost self-evidently beneficial. Although ultimately unsatisfactory, commentators are being reasonable in their supposition that the local embeddedness of smaller businesses contributes to a socially desirable outcome. Thus, the scale and pattern of informal economic activity in many parts of the Global South have led some to suggest significant connections between tourism SME development and poverty alleviation (e.g. [Truong, 2018](#)) alongside the importance of small social enterprises operating in tourism to address deprivation ([von der Weppen and Cochrane, 2012](#); [Altinay et al., 2016](#); [Suriyankietkaew et al., 2022](#)). Nevertheless, the dearth of research being produced by those who are located in the Global South and the failure of others to problematise how entrepreneurship and SME development might lead to poverty reduction represents a significant gap in the literature.

Contributions from the non-tourism mainstream literature provide stimuli for future research in tourism. [Sutter, Bruton and Chen \(2019\)](#), for example, provide a cogent assessment of key aspects of this debate and propose three ways in which entrepreneurship might alleviate poverty; the remediation perspective, the reform perspective and the revolution perspective. Using these to frame research in tourism would potentially help reveal contrasting dynamics in various circumstances. It is, however, also important to acknowledge theorising outside the tourism literature, which problematises the connections between inequality, entrepreneurship and – in turn – poverty alleviation. Most recently, [Lewis, Bruton and Shepherd \(2024\)](#) have argued persuasively that greater attention needs to be paid to marginalised groups and market inefficiencies. They identify examples of inefficiencies in the processes of opportunity exploitation and argue that, if corrected, this could reduce inequality. More nuanced analyses such as these undertaken in relation to tourism markets offer the possibility of step changes in the value of research insight offered by tourism scholars.

Lastly, a recent study by [Dias et al. \(2024\)](#) highlights the potential value of SMEs to understanding issues of wider social concern within local contexts and supporting the sustainability of destinations. Drawing on an empirical investigation in Portugal, the authors explain how some social innovative business owners contribute, via a process of co-creation, to protecting local supply chains and matters of cultural value. They suggest that, if harnessed by policymakers, novel approaches to local social problems might emerge. Further research informed by these considerations might yield new ways of understanding social circumstances in destinations and, ultimately, prompt novel policy interventions.

A note on connecting tourism small and medium-sized enterprise research to policy and practice

The psychologist Kurt Lewin is often credited with stating that “there is nothing more practical than a good theory” ([Eysenck, 1987](#)). Although the statement is problematic for academics who conduct pure, fundamental or basic research, for those with an interest in non-academic impact (i.e. using academic research to inform the practice of policymakers and practitioners), it signals the importance of not only conducting research that is

theoretically and empirically rigorous but of also giving thought to how the findings might be used to effect positive change among tourism stakeholders.

The growing incidence of “impact” in research performance regimes internationally has induced a substantial literature on the topic, a small proportion of which has encompassed the field of tourism. Some of this remains critical of the consequences for academic endeavour (e.g. [Brauer, 2023](#)) but, increasingly, researchers are looking for ways of engaging positively with non-academic actors. Thus, two recent studies ([Tribe and Paddison, 2024](#); [Viana-Lora, 2025](#)) tried to find what the former call “Paths *from* knowledge and theory development *to* impact” (original emphasis). By reviewing impact case studies recently assessed as part of the British university research evaluation exercise (the Research Excellence Framework or REF), [Viana-Lora \(2025\)](#) identified several ways in which impact was achieved. These included collaborations, spin-offs from the original project, the designing of products or services for third parties and undertaking training from stakeholders. [Tribe and Paddison \(2024\)](#) exposed similar mechanisms in their enlarged sample of case studies. Yet, both publications, which it should be remembered drew on cases that tourism departments submitted as their best examples of impact, noted that “tourism impacts were mainly of moderate significance” ([Tribe and Paddison, 2024:6](#)). Indeed, “What is also noticeable from the data is the modest role of the top tourism journals in driving impact. Whilst around 250 journal articles were cited across the case studies, only 6 were from *Annals of Tourism Research*, 7 were from *Tourism Management*, and 9 were from the *Journal of Travel Research*. This low figure confirms that much research ends its journey (at publication)” ([Tribe and Paddison, 2024:7](#)). This heightens the need to consider impact as part of a tourism SME research agenda.

There are numerous cases in the literature showing how collaborations between academic researchers and SMEs can lead to productive outcomes for the latter and a demonstration of impact for the former (e.g. [Cao et al., 2024](#); [Darabi et al., 2021](#); [Rajalo and Vadi, 2021](#); [Rosli et al., 2018](#)). The incidence of related studies in tourism is, however, rare. Nevertheless, research such as that undertaken by [Biconne et al. \(2024\)](#) who revealed that the provision of intermediaries helped the innovation process among smaller tourism firms or [Seyfi et al.’s \(2025\)](#) acknowledgement of the role of support agencies in enabling female entrepreneurs to overcome aspects of the economic adversity they faced, show the potential for academic involvement in support of improved public policy towards tourism SMEs. Moreover, insights from other sectors and fields of enquiry confirm that such impact is possible, but it requires academic researchers to incorporate how to influence SME policymakers and practitioners in their research.

The need for a new tourism small and medium-sized enterprise research agenda (with impact)

The assessment provided in this narrative review points to some (marginal) gains in our understanding of tourism SMEs over the past decade or so and highlighted significant areas of research need. It has also confirmed the lacuna that exists between policymakers and academic researchers that, in turn, limits the potential impact of the latter. In [Figure 1](#), we conceptualise a research agenda that connects with the policy interests of various actors but also suggests areas where research might lead to new policy concerns. Underpinning the figure is a set of principles that we argue should inform the SME research agenda in tourism. This begins with the call for a consistent application of foundational knowledge (rather than repeatedly testing and preventing progress in other areas) and recognition that concepts and theories are not universal (western perspectives are usually not particularly useful, e.g. in non-westernised contexts). These were discussed earlier in the paper.

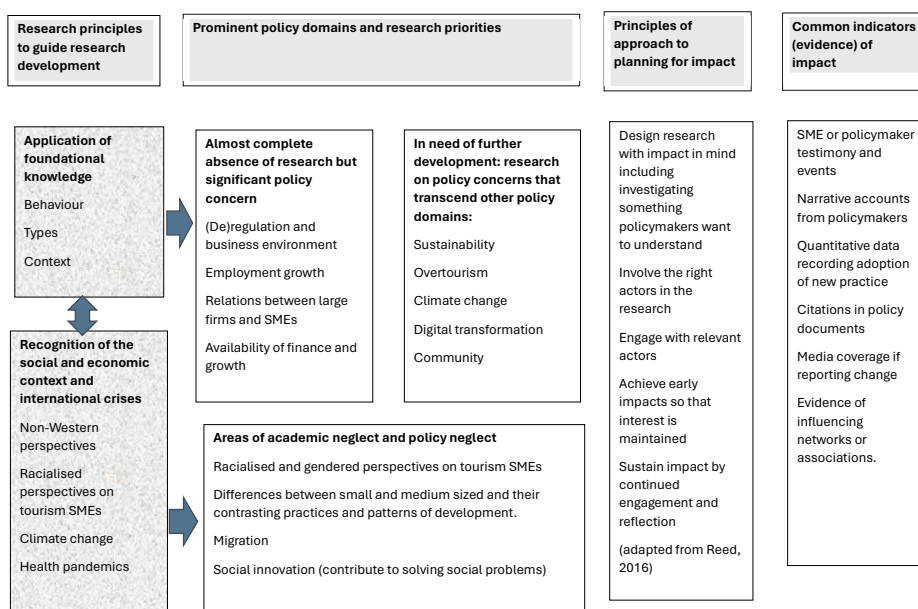


Figure 1. A transformational research agenda for SMEs in tourism

Source: Authors

The foundational principles also promote examination of structural considerations as well as the often-emphasised questions of owner-manager or manager agency, or the agency of other actors. As has been argued, a consideration of SMEs without considering social inequalities is unlikely to “move the conversation” forward. SMEs are often involved in, for example, labour exploitation, modern slavery or the informal economy. Aspects of these are intimately tied to the social and economic structures within which SMEs operate (Bruton *et al.*, 2023; Lewis *et al.*, 2024; Nurse *et al.*, 2025; Seyfi *et al.*, 2025). We argue, therefore, that these neglected aspects of tourism research need to be embedded in the research efforts of tourism scholars with an interest in SMEs. Indeed, unless structural inequalities resonate more prominently, conceptualisations of SME development will remain partial and fail to expose some of the factors contributing to social, economic and environmental injustice.

The publication of the UN Sustainable Development Goals and its promulgation of a climate crisis (www.un.org/en/un75/climate-crisis-race-we-can-win) has prompted significant research among tourism scholars, some of which relates to SMEs. Yet, in spite of tourism being implicated, the UNWTO promotes what some might see as a paradoxical green growth agenda and, implicitly at least, advocates research endeavours towards SMEs that lead to resilience and job creation (www.unwto.org/roadmap-for-recovery-tourism-travel). Much of the academic literature precipitated by these kinds of trans-national declarations are valuable, but too many fail to acknowledge what is already understood about tourism SMEs when undertaking research that encompasses them. A refocusing on the fundamental change in the operating environment for SMEs should be at the core of any research agenda.

Inevitably, there are many potential ways of organising a research agenda, only one of which is shown in Figure 1. Following the identification of core principles, it is organised to rectify the almost complete absence of research on topics of significant policy concern (i.e. topics that

policymakers consider important, but academics do not research, e.g. deregulation, the availability and role of finance to support tourism SME development); areas of policy concern that have attracted academic attention but not enough with an SME orientation (e.g. overtourism, climate change or digital transformation); and topics that have little resonance with policymakers or tourism researchers, where the latter might prompt new ways of approaching policy (e.g. racialised perspectives on SMEs and a new emphasis on analysing the consequences of differences between small- and medium-sized tourism enterprises). Matters of social concern, such as mental well-being or changing demographics, might also fall into this category. To date, there has been very little interest in such topics (for a rare exception, see Azmi's (2020) research on the relationship of the owner's well-being and business failure).

Lastly, the figure draws attention to need to plan for impact if it is to be achieved. Reed (2018), amongst others, provides a set of principles and approaches that might assist academics to achieve greater influence. Evaluating these in the context of tourism SMEs might be a valuable starting point for many. However, as Van de Ven (2007) warned some time ago, policy impact also requires academics to value the tacit understandings of policymakers and accept different ways of legitimising knowledge. In an age of research performance evaluation in universities, being able to demonstrate the impact of tourism research on SME policymakers represents a fundamental aspect of a research agenda with impact. Communicating and articulating that impactful contribution among different stakeholders is gathering momentum, as researchers connect with real world and live research problems, using collaboration, co-creation and creative problem-solving to extend the reach and significance of academic research.

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Appendix

Table A1. Examples of country-based definitions for SMEs (including service sector definitions where they exist as a surrogate for the tourism sector)

Australia	The Australian Bureau of Statistics (ABO) defines micro businesses as those employing between 1 and 4 people and small business as those employing fewer than 20 people. The Australian Taxation Office (ATO) use a different definition whereby micro businesses have an annual turnover of less than AUD2m, while a small business has a turnover of between AUD2m and AUD10m. The ATO considers the number of employees to be irrelevant
Brazil	Micro and small enterprises (MSE) are commercial enterprises with turnovers of up to 360,000 and 4.8 million Brazilian reals, respectively (Neves). OECD (2024: 143) citing the Brazilian Micro and Small Business Support Service, SEBRAE observed that “a microenterprise has up to 19 employees (Industry) or up to 9 employees (Trade and Services); a small enterprise has from 20 to 99 employees (Industry) or from 10 to 49 employees (Trade and Services); and a medium-sized enterprise has from 100 to 499 employees (Industry) or from 50 to 99 employees (Trade and services)”
Brunei Darussalam	Micro businesses 1–9 employees with annual revenue of less than B\$100,000 and assets of less than B\$60,000; small enterprise 10–29 employees and annual revenue of B\$100,000–B\$1m and assets of B\$60,000 to less than B\$600,000; medium enterprise 30–99 employees and annual revenue of B\$1m–B\$5m and assets of B\$600,000 to B\$3m (Asean, 2024)
Cambodia	Micro businesses 1–10 employees with assets of less than or equal to US \$50,000 (excluding land); small enterprise 11–50 employees and assets (excluding land) of US\$50,000 to US\$250,000; medium enterprise 51–100 employees and assets of US\$250,000 to US\$500,000 (Asean, 2024)
China	Classification of size is complex and varies by sector of economic activity. There is no single definition that would encompass tourism. In the hotel sector, for example, an enterprise is considered small if it employs fewer than 400 people and turnover of less than RMB30m. The corresponding figures for medium-sized enterprises are 400–800 employees and RMB30m–RMB300m (see: Ecovis, 2021 ; National Bureau of Statistics of China, 2002)
European Union	Autonomous enterprise with the following thresholds applied: micro – fewer than 10 employees (annual work unit) with an annual turnover of up to and including €2m or an annual balance sheet of up to and including €2m or less; small – between 10 and 49 employees with an annual turnover of up to and including €10m or an annual balance sheet total of up to and including €10m; medium-sized – between 50 and 249 employees with an annual turnover of up to and including €50m or an annual balance sheet total of up to and including €43m (European Commission, 2020)
Indonesia	The government’s definition of micro, small and medium-sized enterprises uses only turnover and net assets in its classification. They are as follows. Micro – a turnover of up to IDR300m and net assets of IDR50m or less; small – a turnover of between IDR300m and IDR2.5bn and net assets of up to IDR500m or less; medium – a turnover of between IDR2.5bn and IDR50bn and net assets of up between IDR500m and IDR10bn. The national statistical agency also includes uses the number of employees to classify enterprises with micro businesses employing between 1–4 people, small between 5–19 and medium between 20–99 employees (see Asean, 2024)
Laos PDR	Micro businesses 1–5 employees with annual revenue of less than B\$100,000 and assets of up to or less than LAK240m; small enterprise 6–50 employees

(continued)

Table A1. Continued

Malaysia	assets of up to LAK1,800m; medium enterprise 51–99 employees and assets of up to LAK7.2bn (Asean, 2024) Micro businesses 1–4 employees with an annual sales turnover of up to or less than RM300,000; small enterprise 5–29 employees and an annual sales turnover of RM300,000–RM3m; medium enterprise 30–75 employees and annual sales turnover of RM3m–RM20m (Asean, 2024)
Myanmar	Micro businesses (no categorisation); small enterprises 1–30 employees and fixed assets of over KYAT100m; medium sized enterprises 51–100 employees and fixed assets of KYAT100m–KYAT200m (Asean, 2024)
New Zealand	The New Zealand Small Business Council (2019: 4) outline the way the country “commonly use the following definitions in discourse: • sole trader – 0 employees • micro business – 1–5 FTE employees • small business – 0–19 FTE employees • medium business – 20–49 FTE employees • small and medium enterprise (SME) – 0–49 FTE employees • large business – 50 or more FTE employees”
Japan	The official (legal) definition of an SME in the service sector is one whose capital is no greater than ¥50,000,000, or that employs fewer than 100 people (Organisation for Small and Medium Enterprises and Regional Innovation, 2024)
The Philippines	Micro enterprise category (no employee threshold; total assets exclusive of land of up to or less than PHP3,000,000; small enterprise (no employee threshold and total assets exclusive of land of PHP3,000,001–PHP15,000,000; medium sized enterprise (no employee threshold and total assets exclusive of land of PHP15,000,001–PHP100,000,000)
Singapore	Micro enterprise (up to 200 employees and sales turnover of SGD100m); small enterprises (up to 200 employees and sales turnover of SGD100m); medium enterprise (up to 200 employees and sales turnover of SGD100m)
South Africa	The official definition of SME varies. For the industrial classification “catering, accommodation and other trade”, it is as follows: micro – up to 5 employees with a total turnover of 0.2 million rand and a total gross asset value (excluding fixed property) of 0.10 million rand; very small – up to 20 employees with a total turnover of 4 million rand and a total gross asset value of 0.60 million rand; small – up to 50 employees with a total turnover of 19 million rand and a total gross asset value of 3 million rand; medium – up to 200 employees with a total turnover of 39 million rand and a total gross asset value of 6 million rand (Banking Association of South Africa, 2024)
Thailand	Micro enterprise (up to 5 employees and annual income of up to THT1.8m); small enterprise (up to 30 employees and annual income of up to THT50m); medium enterprise (up to 100 employees and annual income of up to THT300m)
United kingdom	According to the UK government “The UK government definition of SMEs encompasses • micro (less than 10 employees and an annual turnover under €2m), • small (less than 50 employees and an annual turnover under €10m) and • medium-sized (less than 250 employees and an annual turnover under €50m) businesses (Department for International Trade, 2020: 5)”
United States of America (USA)	The Small Business Administration (2023) defines a small business as one that is independently owned and not dominant in the market nationally, is organised

(continued)

Table A1. Continued

		for profit and operates primarily in the USA or makes a significant contribution to the USA economy. Size standards vary by sector and may be determined by turnover or number of employees. Examples include amusement and theme parks (US\$47m), hotels and motels (excluding casino hotels) (US\$40m) and full-service restaurants (US\$11.5m)
	Viet Nam	Micro enterprise (1–10 employees and total revenue of less than VND10bn and total capital of less than VND3bn). Small enterprise (11–50 employees and total revenue of less than VND10bn–VND300bn and total capital of less than VND3bn–VND50bn); medium enterprise (51–100 employees and total revenue of less than VND100bn–VND300bn and total capital of less than VND50bn–VND100bn)

Source(s): Developed from [European Commission \(2020\)](#); [Sbaraini and Meireles \(2023\)](#); [Small Business Council \(2019\)](#), [Department for International Trade \(2020\)](#); [Ecovis \(2021\)](#); [Neves *et al.* \(2024\)](#); [National Bureau of Statistics of China \(2002\)](#); [Asean \(2024\)](#); [OECD \(2024\)](#); [Organization for Small and Medium Enterprises and Regional Innovation \(2024\)](#); [Banking Association of South Africa \(2024\)](#); [Small Business Administration \(2023\)](#); [Gilfillan \(2015\)](#)

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