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Creative Tourism in Mozambique: Comparative case study on small entrepreneurs

Sumaira Shazid

Masters in Management

Supervisor:

PhD, Álvaro de Borba Cruz Lopes Dias, Associate Professor

Iscte – Instituto Universitário de Lisboa

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Department of Marketing, Operations, and General Management

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RESUMO

Com a sua rica herança cultural, Moçambique possui um grande potencial para o turismo criativo, uma forma de turismo em que os visitantes se envolvem e contribuem para as tradições e artes locais autênticas. Esta dissertação investiga de que forma os pequenos empreendedores em Moçambique podem aproveitar o turismo criativo para expandir os seus negócios, preservando e promovendo a identidade cultural. Estes empreendedores podem diferenciar-se num mercado turístico saturado, oferecendo mais do que apenas “*souvenirs*”, proporcionando aos turistas workshops práticos e uma imersão cultural completa. Os estudos de caso demonstram que os empresários que integram o turismo criativo conseguem maior envolvimento dos clientes e melhor desempenho financeiro. Contudo, também enfrentam desafios significativos, tais como recursos limitados, concorrência intensa e riscos políticos e ambientais mais amplos. Uma das principais conclusões desta dissertação é que os empresários precisam de reavaliar as suas estratégias de negócio e integrar o turismo criativo nas suas operações para prosperarem através da inovação e diferenciação. O objetivo desta dissertação é mostrar como o turismo criativo não só gera rendimentos sustentáveis para os pequenos empresários, mas também ajuda a preservar a identidade cultural de Moçambique. Este sector oferece lições valiosas para os decisores políticos e comunidades, sendo uma ferramenta poderosa para o desenvolvimento sustentável que pode revitalizar as oportunidades económicas e proteger o património cultural.

Palavras-chave: Turismo criativo; Pequenos empreendedores; Moçambique

Classificações JEL: L26 (Empreendedorismo), Z32 (Economia do Turismo)

ABSTRACT

With its rich cultural heritage, Mozambique holds great potential for creative tourism, a form of tourism where visitors engage with and contribute to authentic local traditions and crafts. This dissertation investigates how small entrepreneurs in Mozambique can leverage creative tourism to expand their businesses while preserving and promoting cultural identity. These entrepreneurs can differentiate themselves in an overcrowded tourist market by offering more than just souvenirs, providing tourists with hands-on workshops and full cultural immersion. The case studies demonstrate that entrepreneurs who incorporate creative tourism achieve better customer engagement and improved financial performance. However, they also face significant challenges, including limited resources, intense competition, and broader political and environmental risks. A key finding of this dissertation is that entrepreneurs must reassess their business strategies and integrate creative tourism into their operations to thrive through innovation and differentiation. The aim of this dissertation is to show how creative tourism not only generates sustainable income for small entrepreneurs, but also helps preserve Mozambique's cultural identity. This sector holds valuable lessons for policymakers and communities, as it is a powerful tool for sustainable development that can revitalize economic opportunities and safeguard cultural heritage.

Key-word: Creative tourism; Small entrepreneurs, Mozambique

JEL Classifications: L26 (Entrepreneurship), Z32 (Tourism Economics)

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CHAPTER 1: INTRODUCTION

1.1 Introduction

Tourism remains one of the primary tools for economic and cultural development worldwide. However, creative tourism is gaining increasing attention for transforming tourist experiences. Creative tourism differs from traditional mass tourism as it involves the active participation of tourists in local culture and traditions, allowing them to directly engage with various facets of cultural heritage (Akdemir, José & Gonçalves, 2023). This approach fosters a stronger and more intimate bond between tourists and the places they explore, resulting in a higher quality of experience.

Although creative tourism has great potential, its implementation in developing countries, such as Mozambique, remains limited (Richards, 2020). Mozambique, with its rich history and natural beauty, is an ideal candidate for creative tourism. However, the existing gap in the literature regarding its full potential has led to the focus of this dissertation: exploring how small entrepreneurs in Mozambique can leverage creative tourism to expand local economies while maintaining their cultural and authentic identities.

This research seeks to provide insights into how creative tourism can be better implemented in a developing context, contributing not only to economic sustainability but also to the protection of cultural heritage.

The dissertation is structured into five chapters, beginning with this introduction, followed by a literature review presenting the core concepts of creative tourism and small entrepreneurship. The analysis builds on evidence-based findings from both the research design (methodology) and case studies of small entrepreneurs. Finally, the dissertation concludes with key findings and practical recommendations for further exploring creative tourism in Mozambique.

1.2 Investigation Problem

Mozambique's rich cultural heritage and stunning landscapes make it an ideal destination for creative tourism. For small entrepreneurs, especially those offering experiences tied to local traditions and crafts, this emerging sector presents a significant opportunity to stand out. Despite

this potential, many entrepreneurs struggle with a lack of resources, stiff competition, and the added pressures of political and environmental challenges (Guambe & Da Silva, 2022).

However, adopting creative tourism could be a transformational strategy for them, as it has the potential to boost customer satisfaction and lead to more sustainable, long-term success (Richards, 2020).

Although Mozambique's tourism sector faces several vulnerabilities, small entrepreneurs who embrace creative tourism have a strong chance to thrive. With the right support from institutions, whether through funding, training, or infrastructure, these businesses could carve out a unique niche in the tourism market. Ultimately, this would allow them to grow while preserving the country's rich cultural identity.

In light of these challenges and opportunities, this research seeks to answer a key question: *“How can creative tourism impact small entrepreneurs in Mozambique?”*

1.3 Objectives

This research focuses on a deeper analysis of the influence of creative tourism on small entrepreneurs in Mozambique. *The overarching goal is to gain a comprehensive understanding of the impact of creative tourism on small entrepreneurs*, guided by three specific objectives. Firstly, it seeks to *explore the landscape of creative tourism in Mozambique*, carefully analyzing the situation and evolution of creative tourism initiatives within the country, identifying the key elements and factors that promote creative tourism. Secondly, it aims to *characterize the involvement of small entrepreneurs in creative tourism* by examining the challenges they face. Lastly, the research will *conduct comparative case studies, selecting and analyzing specific cases of small entrepreneurs engaged in tourism*. The purpose is to compare and contrast these cases to uncover patterns, differences, and successful approaches that complete the picture of creative tourism as an opportunity for small entrepreneurship in Mozambique.

CHAPTER 2: LITERATURE REVIEW

2.1 Creative Tourism

2.1.1 Conceptual Framework

2.1.1.1 Definition of Creative Tourism and its key elements.

Creative Tourism: This form of tourism is defined as one in which visitors discover their creative potential through active participation and learning experiences offered by the destination (Akdemir, José, & Gonçalves, 2023). In the context of creative tourism, as defined by Richards and Raymond (2000), co-creation plays an even greater role. Here, both tourists and local communities collaborate to offer customized, engaging experiences. In contrast, to mass tourism, when tourists passively consume cultural products, creative tourism involves direct interaction with the image and culture of the destination, often associated with terms such as heritage and identity. (Akdemir, José, & Gonçalves, 2023);(Richards & Wilson, 2007).

Akdemir et al. (2023) and Richards (2013) argue that tourists are not merely observers of cultural activities but are key contributors to creative actions. This interaction between tourists and local communities helps promote new forms of cultural capital, enhancing the overall tourism experience. Creative tourism has also been described as a form of growth driven by the increasing demand for creative products rooted in local culture. The creation, distribution, and consumption of these products, supported by alternative infrastructures such as paid services or free platforms like YouTube or Dailymotion, have generated a buzz around travel. This framework provides the foundation for creative tourism, which Moleiro (2023) further expands on, presenting creative tourism as an emergent concept where tourists select products and services that enable them to actively participate in shaping their travel experiences. Moleiro's work builds on earlier discussions by Akdemir et al. (2023), incorporating elements of local culture, creativity, and co-creation.

Richards and Raymond (2000), as cited by Moleiro (2023), underline the need to connect tourists with local creativity to foster more authentic experiences. Moreover, as Chathoth, Ungson, Harrington, & Chan (2013) stressed, experiential authenticity and active participation are crucial to achieving mutual benefits for tourists and local residents through extended cultural experiences. Building on this discussion, Dias, González-Rodríguez, and Patuleia (2020) suggest that creative tourism is truly immersive and participatory, creating a deeper bond with the local community.

This aligns with the definition provided by Richards and Raymond (2000), who describe creative tourism as fostering active involvement through workshops, study courses, and participatory learning practices. By doing so, tourists not only engage in local practices but also develop a stronger connection to both the local culture and the place itself. Creative tourism is distinguished from more commodified forms of tourism by its focus on local interaction and authenticity. The OECD (2014) reinforces the participatory aspect of creative tourism, as it allows tourists to engage in hands-on cultural activities such as pottery, painting, or cooking, which express the destination's heritage. In this model, first suggested by Richards and Raymond (2000), experiences are co-produced by tourists and locals rather than being passive sightseeing activities.

On the other hand, Al-Ababneh (2017) defines creative tourism as a type of tourism that enables tourists to realize their creative potential through participation in courses and learning experiences. This definition aligns with the active participation model described by Richards (2014). Similarly, skill development is also a key aspect of creative tourism, as stated by Al-Ababneh (2017), where tourists improve their skills in areas like traditional crafts or cooking, enhancing their overall experience.

Richards (2013) offers a different perspective, proposing that tourism is responding to global trends in which both residents and travelers engage as what has been termed creative tourists. This concept draws from the co-creation theory proposed by Vargo and Lusch (2004), which suggests that value is created when tourists actively participate in immersive experiences, such as cooking classes, traditional crafts, or performing arts. This proactive involvement contrasts with traditional cultural tourism, which is largely passive, giving creative tourism its co-creative character, with a higher degree of engagement offsetting inactivity (Richards, 2013).

Although key aspects such as active participation, co-creation, and authenticity are central to the concept of creative tourism, there are variations in focus among different authors. Some emphasize skill development, others focus on localism, or on the policy, economic, and cultural implications of integrating the creative economy into tourism experiences. For instance, Al-Ababneh's (2017) model of creative tourism focuses more on skill development, allowing tourists to enhance their talents in specific creative practices. On the other hand, Moleiro (2023) emphasizes creative tourism as a collaborative production between tourists and local communities. Additionally, Dias et al. (2020) highlight the importance of authenticity, cautioning that "creative

tourism should not become an over-commercialized use of culture”. Al-Ababneh (2017), however, concentrates on the growth of tourists as individuals, fostering artistic performance and learning through guided experiences. Richards (2013) introduces creative tourism as a development strategy for both cultural and economic growth, particularly in cities, as well as in creative industries and urban planning. This perspective contrasts with that of Akdemir et al. (2023), who focus more on the co-creation of personalized experiences, which is especially relevant for rural or peripheral locations where tourism can conserve culture and provide economic benefits.

2.1.2 Evolution of Creative Tourism

2.1.2.1 Key milestones and shifts in creative tourism

The history of creative tourism is marked by key steps and paradigm shifts that, in turn, have led to broader transformations within the global tourism scene. This trend of development can be categorized into four distinct phases, according to Akdemir et al. (2023), denoting significant shifts in how tourism is conceptualized and practiced.

As illustrated by Akdemir et al. (2023), these stages build upon the earlier findings of Richards and Raymond (2000), where notions of creative tourism were first introduced, including co-creation and active tourist engagement.

Phase 1.0: Creative Tourism as Co-Creation and Co-Learning

The first of a series of major changes occurred during Creative Tourism 1.0 (Akdemir, José, & Gonçalves, 2023).

During this phase, small-scale, locally embedded tourism experiences were highlighted, where tourists engaged in workshops and co-learning environments (Richards & Raymond, 2000).

Tourists gradually evolved from being merely observers to artisans, participating in activities that encouraged cultural exchange and, more importantly, alternative income generation. Such co-creation was a complete departure from traditional mass tourism, with its pre-packaged, generic experiences. Tourists became part of the fabric of the destination, acting as co-creators (Richards & Wilson, 2007).

In the discourse over the scale and longevity of these operations, diverging impressions arise. Despite the importance of this phase, Duxbury and Richards (2019) contended that it was economically limited and never graduated from niche to mainstream. Akdemir et al. (2023) suggest

that growth potential existed beforehand but was only unlocked with the introduction of digital platforms in the subsequent phase.

Phase 2.0: Expanding Reach Through Digital Platforms

The second phase, known as Creative Tourism 2.0, had a visible focus on applying digital tools to further distribute creative tourism experiences online (Akdemir et al., 2023). This is not a new idea: Richards & Wilson (2007) had earlier theorized that digital tools could enhance the creative travel experience globally. The second wave broke the geographical constraints of the first phase, allowing smaller destinations to use digital platforms to create awareness and promote their authentic creative experiences on a larger scale.

This phase marked the shift from face-to-face interactions to a larger playing field with wider access points for various levels of creative engagement. Duxbury & Richards (2019) noted that e-marketing provided a platform for promoting creative spectacles and spaces through direct tourist participation. Nevertheless, Akdemir et al. (2023) point out that this phase presents the risk of diluting authentic cultural interactions, as digital platforms may prioritize information and monetization over in-person cultural exchange.

Phase 3.0: Urban and Cultural Policy Integration

The third phase in creative tourism's development involved its adoption by urban and cultural policymakers. Creative Tourism 3.0 integrated creative tourism into cultural branding and urban development strategies (Akdemir, José & Gonçalves, 2023).

This phase aligns with UNESCO's 2006 initiative, which emphasized creativity and cultural heritage as key components of sustainable tourism practices. Barcelona and Paris were showcased as cities where creative tourism was integrated into broader policies for urban competitiveness and cultural regeneration (Richards, 2013).

However, integrating creative tourism into policy frameworks has its critics. Some warn against the institutionalization of creative tourism, fearing that it may transform unique cultural experiences into standardized tourism products (Richards, 2020). Akdemir et al. (2023) also highlight the need to balance commercialization with cultural preservation in the future.

Phase 4.0: Relational and Networking Tourism

The latest phase, Creative Tourism 4.0, is characterized by relational tourism, where links and collaborations among tourists, locals, and artisans are emphasized (Duxbury & Richards, 2019).

According to Akdemir et al. (2023), this phase revisits the intimate and co-creative engagements seen in Phase 1, but with a focus on sustainability and the long-term transformation of communities. This forward-thinking approach ensures that both locals and tourists benefit from unique tourism options, forming a model of networking tourism with creativity at its core.

Networking and relational tourism are especially relevant in peripheral and rural areas, where creative tourism serves as a method for sustainable development. It helps preserve culture and tradition while supporting the crafts and cultural economies of local artisans and communities (Richards & Wilson, 2007).

Involving local stakeholders in the tourism process, where they can participate in decision-making, ensures that tourism development aligns with community values and needs (Richards & Wilson, 2007).

As Richards (2014) highlights, this trend moves beyond passive cultural consumption toward active engagement, where tourists seek meaningful interactions with local culture, arts, and crafts.

Recent changes in creative tourism have sparked conflicting opinions. While Akdemir et al. (2023) explore the future of tourism based on relational and networking dynamics, Richards (2020) warns against forging creative experiences in a way that risks losing authenticity due to over-commercialization. This debate reflects a larger issue in the tourism industry: balancing economic development with the protection of culture. These two perspectives point to the need for continued research on how creative tourism affects local communities and cultural heritage.

2.1.2.2 Recent Developments in Creative Tourism

The rise of creative tourism has been shaped by recent developments that align with broader societal movements towards inclusivity, sustainability, and co-creation. These trends have increasingly come to define how tourists interact with local cultures.

As claimed by Akdemir et al. (2023), in the field of creative tourism, a significant shift towards a more social approach has been made, moving from passive consumption to active engagement. Travelers now seek more engaging, human-centered experiences that prioritize co-created, shared

interactions with local communities. These are quite different from the earlier forms of tourism, which focused on sightseeing and passive participation.

Creative tourism has emerged as a key trend in recent years, accelerated by digitalization, particularly during the Covid-19 pandemic. The rise of virtual immersive workshops and experiences has created a much broader reach than many destinations could have achieved solely through in-destination visits, as noted by Moleiro (2023). This expansion has not only widened access to creative tourism but has also promoted greater domestic engagement.

According to Richards (2020), the shift to online platforms for virtual tours has made creative tourism more accessible than ever before, allowing travelers to engage in cultural activities from anywhere in the world while simultaneously providing livelihood opportunities for local artisans and communities.

Sustainability also plays a major role in the latest innovations within the creative tourism field. Moleiro (2023) emphasizes that creative tourism is now more closely aligned with social and environmental sustainability goals. By prioritizing co-creation and deeper involvement with regional communities, this approach encourages responsible travel that has the potential to sustain both cultural heritage and the environment.

More and more destinations are incorporating elements of sustainability into their tourism offerings, encouraging visitors to engage with the destination through practices of cultural preservation or environmental stewardship (Moleiro, 2023).

Nevertheless, the rise of creative tourism has sparked concerns about both commercialization and authenticity. This is an issue that should not be overlooked. Al-Ababneh (2017) warns that the increasing demand for creative experiences may lead to over-commercialization, which could turn unique cultural practices into commodified, standardized experiences.

Cultural and economic value is best preserved through the authenticity of creative tourism experiences. Richards (2020) agrees, warning against destinations becoming what he calls “serial reproductions” of experiences, which dilute the cultural distinctiveness of places. However, creative tourism should not lose sight of the cultural context of the destinations, and they must remain unique so that the tourism experience continues to enrich not only tourists but also those who live there.

2.1.2.3 Redefining Creative Tourism: Challenges and Pathways for Future Research and Development

The evolution of the creative tourism concept has been notable, although not without complex and unresolved challenges that require more in-depth analysis to define future strategies.

Akdemir et al. (2023) have pointed out that creative tourism research has primarily emphasized economic and managerial impacts, while the potential social and cultural roles of this form of development remain poorly understood. They suggest that, although creative tourism is perceived as highly profitable, especially for local communities, its social impacts have yet to be fully investigated, particularly in relation to community well-being, social cohesion, and inclusion. Citing Richards (2020), they argue that current studies still largely overlook the voices of residents and traders, who are crucial actors in the co-production process but are only partially covered by existing scientific literature. Moleiro (2023) supports this view, stressing that more holistic studies are necessary to assess the impacts of creative tourism on community cohesion and the safeguarding of local cultures over time. Moleiro (2023) also argues that the rise of commercial creative tourism experiences does not necessarily enhance their authenticity, a concern that Richards and Wilson (2007) had previously identified. Additionally, Moleiro (2023) calls for future research to investigate the changing scope and nature of creative tourism as it continues to expand rapidly across digital platforms and globally. He questions whether it is possible for creative tourism to maintain its authenticity and avoid commercialization.

Offering a related view, Al-Ababneh (2017) recognizes the increasing difficulty of balancing the economic needs of tourism with the cultural authenticity that stakeholders seek to preserve through their tourism experiences. While such measures are meant to enhance the experience for both tourists and locals, he cautions against the “over-standardization” of creative tourism offerings, which would strip away their value in the context of place-based uniqueness. Al-Ababneh (2017) explains that research should focus on sustainable models that balance cultural preservation and economic development. Richards (2020) also highlights that, to prevent commodification, creative tourism must evolve. Drawing from earlier work by Richards and Raymond (2000), he claims that creative tourism risks “becoming banal by replicating existing cultural, natural, sporting, and entertainment resources across all settings,” and emphasizes the need for efficient management. Richards (2020) suggests that researchers should explore how

creative tourism can more closely connect with local creative economies and innovation to ensure sustainability and provide a deeper, more authentic transformational experience for tourists. This aligns with the viewpoint of Dias et al. (2020), who argue that marginalized communities involved in creative tourism require protection from exploitation and a fair distribution of benefits.

One of the central topics in the future of creative tourism is the growing influence of digital platforms in shaping the field. As Duxbury and Richards (2019) observe, this has transformed creative tourism from a one-time, place-based event to a more integrated way of life. However, Akdemir et al. (2023) warn that, although digitalization opens up new opportunities to make creative tourism more accessible to broader audiences, it may also accelerate the standardization and commoditization of creative experiences. They call for a cautious approach to studying this phenomenon, weighing the benefits of enabling more people to experience creative tourism via digital media against the need to ensure that each experience remains authentic.

In conclusion, while creative tourism has made considerable strides, future developments must be achieved in a balanced way, enhancing its economic impact while also emphasizing the importance of conservation. All scholars agree that further research is needed to address issues of sustainability, authenticity, and inclusiveness, helping to advance creative tourism while generating positive impacts for both tourists and destination communities.

2.1.3 Co-Creation in Travel Services: Enhancing Customer Experience and Value

Creative tourism is contrasted with more traditional forms of tourism by virtue of co-creation being central to the innovation and improvement of tourism services, with tourists actively participating in co-producing their experiences. Al-Ababneh (2017) notes that “this leads the tourist to actively shape his own travelogue, by participating in and with local communities rather than passively consuming pre-packaged experiences.” Tourists, by interacting with locals at their destination of choice, help co-produce cultural products. This increases the experience value and stimulates innovation among firms in the tourism industry. This fosters a new type of dynamic, interactive design process, intended to accommodate tourists’ needs, which drastically enhances tourism providers’ offerings and makes the destination stand out in a competitive marketplace. This model ties into a larger trend toward experiential tourism, where visitors want to engage in something unique and tactile rather than simply being passive consumers.

From this viewpoint, Akdemir et al. (2023), citing Foroni and Schmitz, mention that “Co-creation enables authentic experiences, contributing to value creation through a deep immersion into the local culture.” Prahalad and Ramaswamy (2004) argue that value creation is no longer just a matter of offering predefined services. Rather, it involves active participation from customers to tailor experiences to their unique preferences. In the context of creative tourism, this approach is particularly relevant, as tourists can co-create their experiences by engaging in local workshops or cultural activities, making their interactions more personalized and valuable.

Using the works of Richards and Wilson (2007) as a foundation, these authors argue that creative tourism allows participants to experience places better through deeper connections, which can increase their intention of returning. This provides a clear picture of how co-creation improves satisfaction in terms of overall experience expectations, while simultaneously contributing towards sustainable tourism development. Not only does it allow local participants to co-create with tourists, but it also positions them positively as co-creators rather than mere consumers. The participatory nature of co-creation can also be advantageous to local communities as a means of engaging with their cultural heritage while enabling economic revenues through increased tourist participation.

Moreover, according to Moleiro (2023), co-creation results in more satisfied customers and greater value in travel services. One of the points mentioned by him is that, through co-creation, tourists can participate in activities beyond mere sightseeing and actively contribute to local culture. This interaction not only personalizes the visit but also gives visitors a sense of ownership, which fulfills the experience. In contrast, traditional forms of tourism do not offer this deep and personalized connection provided by co-creation (Moleiro, 2023).

The role of co-creation is further defined by Richards (2020), particularly through the lens of rural and peripheral tourism destinations. He notes that co-creation enables tourists to participate in local arts and crafts, cooking, or workshops, thereby building stronger bonds between travelers and the local community. This process not only enhances the experience for tourists but also increases revenues in the local economy.

Richards (2020) argues that co-creation in rural areas is crucial for ensuring the sustainability and vitality of cultural tourism, particularly where traditional models of tourism development may prove problematic. Drawing on Richards and Raymond (2000), Richards (2020) adds that co-creation allows rural communities to maximize the potential of their cultural resources, such as sustainable tourism, while preserving the essence of their heritage. A similar argument is extended by Dias et al. (2020), who explore co-creation as a strategy for empowering marginalized communities. They contend that co-creation empowers such communities as active participants in tourism, drawing upon their cultural capital to attract tourists and generate income in return. This has a transformative ability to broaden the local economy and participation in small-scale enterprises, particularly in rural or undeveloped areas. By engaging tourists in local traditions and crafts, communities gain not only unique experiences for visitors but also social cohesion and cultural pride. This highlights creative tourism as a driver for sustainable development, enriching both tourists and locals through the co-creative process (Dias, González-Rodríguez, & Patuleia, 2020).

In conclusion, customer experience and value in travel services have improved considerably thanks to co-creation. Al-Ababneh (2017), Akdemir et al. (2023), and Moleiro (2023) all discuss how it deepens tourist engagement and satisfaction. Dias et al. (2020) and Richards (2020) emphasize its role as a community development strategy, particularly in rural and economically vulnerable areas. Among these perspectives, the common theme is that co-creation benefits both tourists and destinations by jointly enhancing their touristic experience, while also being beneficial from both sustainability and cultural preservation perspectives.

2.1.4 Creative Tourism Experiences as a Strategic Resource for poor community development

Based on Richards and Wilson's (2007) theories, Akdemir et al. (2023) argue that these creative forms of tourism are essential for empowering rural communities through social cohesion and economic resilience. In summary, they state that in much of rural creative tourism, local artisanry and cultural practices hold strong. Using this co-creation model, local communities become creators, not just providers of services in tourism. This collaborative process, according to Akdemir et al. (2023), more broadly distributes the economic benefits of tourism, promoting sustainable development in the long term. This is especially true in places where traditional industries have

been in decline, and creative tourism may be one of the only strategies for economic diversification.

On the other hand, Moleiro (2023) focuses on creative tourism as a tool for fostering social inclusion in contexts of poverty. Moleiro (2023) posits that the creative tourism experience can yield financial rewards while enabling marginalized communities to interact on a global level in some more prominent occasions. Based on Richards and Raymond (2000), Moleiro (2023) highlights that creative tourism fosters interaction between tourists and residents, with the former playing a crucial role in co-creating new experiences. This fosters dialogue, mutual understanding, and respect, helping to preserve cultural identity while enabling sustainable economics. However, Moleiro (2023) also cautions that if culture is too easily commodified, it may lose its essence in the pursuit of profit. He advocates for more research on how creative tourism can better balance economic success with the preservation of cultural integrity.

Richards (2020) synthesizes these findings by relating them to the strategic position of creative tourism in rural and marginalized communities. He argues that creative tourism will attract more visitors and help retain young people in these regions by offering jobs centered around culture. Richards (2020) cites rural Thailand, where projects such as cooking classes and craft workshops support the local economy while instilling cultural pride. Referring back to his work with Raymond (2000), Richards (2020) emphasizes the need for co-production in sustaining such initiatives, claiming that meaningful community participation is essential if tourism offerings are to remain authentic and sustainable. Richards (2020) also highlights the challenges of implementing such models at scale, especially in areas without adequate infrastructure to handle increased tourist volumes. Dias et al. (2020) extend this analysis by examining how poor communities engage with creative tourism. They argue that creative tourism can act as a mechanism for economic redistribution, enabling local artisans and ventures within the informal sector to craft and sell their products to tourists. However, they also advocate for foreign aid (from governments, NGOs, or multilateral banks) to provide the working capital and technical support needed for such start-ups. According to Dias et al. (2020), many poor communities may not fully harness the benefits of creative tourism if they are overly reliant on external resources. This analysis echoes Richards' (2015) caution that community development has often occurred top-down, with organizations

dictating solutions. There is a need for communities to be involved in the planning and delivery of shared solutions, with support from the voluntary sector.

Overall, creative tourism highlights the potential poor communities have not only to develop culture and creativity into significant economic development assets but also to transform place-based artistic heritage experiences into sustainable economic models. Akdemir et al. (2023) assert that co-creation alters how such benefits can be distributed more evenly in tourism. While acknowledging that creative tourism promises certain social inclusion rewards, Moleiro (2023) warns against the normalization of commodification. Richards (2020) emphasizes that external support and infrastructure are crucial for scaling up creative tourism in less wealthy regions. Although there are differing perspectives, all scholars agree that if properly implemented, creative tourism can become a significant strategy for community-building development, even in economically disadvantaged regions.

2.2 Entrepreneurship in Tourism

2.2.1 Small Entrepreneurship

2.2.1.1 Definition of small entrepreneurship in the context of tourism.

Small entrepreneurship in tourism has historically played a vital role in shaping the development of the sector. As highlighted by Walmsley (2019), the tourism industry is predominantly composed of small businesses, often described as the lifeblood of the sector. These small enterprises are typically owner-managed and operate in niche markets, providing personalized and locally tailored services that contribute to the overall tourism experience. Ateljevic and Page (2009) emphasize the significance of small businesses in the tourism sector, noting that these enterprises often provide personalized, culturally rich experiences that larger companies cannot replicate.

Thomas, Shaw, and Page (2011) note that while small tourism firms often face challenges such as seasonality and limited capital, they are uniquely positioned to offer personalized services that larger businesses cannot. Small tourism firms are characterized by their flexibility and capacity for innovation, which enables them to adapt to rapid changes in consumer preferences and market conditions. This is also noted by Hjalager (2010) and Walmsley (2019), who add that innovation in service delivery and product development allows small firms to adapt to market changes and maintain a competitive edge. In line with this, Hall and Williams (2019) argue that innovation

extends beyond technology to include the development of new services, products, and experiences that resonate with modern tourists seeking unique and authentic engagements.

Moreover, Walmsley (2019) emphasizes that these businesses are not only driven by economic incentives but also by the desire of entrepreneurs to maintain a certain lifestyle or achieve personal goals. This is a defining feature of many small tourism enterprises, particularly in regions where tourism is one of the few viable economic activities. Walmsley (2019) also points out that while small firms dominate the tourism landscape, their role in the broader academic discussion of entrepreneurship has been somewhat marginalized. However, their importance cannot be understated, as they contribute significantly to local economies, particularly in rural or underdeveloped regions where large-scale tourism operations may not be feasible. These small businesses often operate as lifestyle ventures, meaning that their growth and success are not solely measured by financial profit, but also by the personal fulfillment of the entrepreneur and their contribution to local cultural and environmental sustainability. The entrepreneurial process within small tourism businesses typically involves identifying opportunities within the local context, leveraging limited resources, and engaging closely with the community (Walmsley, 2019).

CHAPTER 3: METHODOLOGY

Scientific research relies on structured intellectual and technical procedures (scientific methods) for achieving its objectives. These methods consist of a series of processes that shape the reasoning in research (Prodanov & de Freitas, 2013).

As explained by Lakatos & Marconi (2003), research methodology answers key questions like “How?”, “With what?”, “Where?”, and “How much?”

3.1 Research Type

Research can be classified according to the scientific method, approach, objective, and nature. The scientific method employed in this study is the *hypothetico-deductive method*, chosen to gather evidence that will lead to definitive answers and consolidate the findings. This research adopts a *qualitative approach*, collecting rich narrative data to facilitate an in-depth exploration of the experiences of small entrepreneurs within the creative tourism sector. This approach is particularly well-suited to capturing the complexity of their perceptions and strategies.

The study is *exploratory in its objective*, as it aims to offer new perspectives on how small entrepreneurs can operationalize their businesses in the national market through creative tourism strategies. It is also *descriptive*, analysing the significance of creative tourism for small entrepreneurs by examining the strategies they implement, all without direct intervention.

Regarding its nature, this research is *applied*, with the specific goal of generating insights and knowledge that can be directly applied to the challenges and opportunities faced by small entrepreneurs in the context of creative tourism in Mozambique.

The research methods employed were *Bibliographic Research and Case Study*. Initially, the contributions of authors in the Creative Tourism field were analysed, followed by a specific case study on small entrepreneurs in this context.

3.2 Mozambique's Tourism Landscape

3.2.1 Current status of Tourism in Mozambique

Tourism in Mozambique is characterized by its vast natural spaces, a long tradition of white-sand coasts, and an unusual combination of both elements, making the country seem predestined for the development of tourism areas. Nevertheless, as Guambe & Da Silva (2022) pointed out, the sector

is highly vulnerable. Such vulnerabilities, as revealed by the COVID-19 pandemic, do not operate independently of political and climatic challenges or public health crises.

The fragility of the tourism infrastructure in Mozambique, particularly in terms of mobility, which is essential for the entire construction of tourism, was partly exposed during the pandemic (Guambe & Da Silva, 2022).

The third theoretical concept used by Guambe & Da Silva (2022) is the vulnerability concept explained by Nossa, Santos, and Cravidão in 2013, which posits that, in tourism, vulnerability is interconnected with geographical and climatic factors but can also encompass political instability and health risks, placing high pressure on visitor numbers. Mozambique is vulnerable to natural disasters, in part due to its geography; tropical cyclones leave a path of destruction along the country's 2,700-kilometre coastline, decimating key tourism areas. To illustrate, Cyclone Idai in 2019 was responsible for multiple infrastructure collapses, including nature-based tourist accommodations, shedding light once again on the risks associated with climate change.

The examples from Mozambique continue. In addition, political instability, notably the Cabo Delgado insurgency since 2017, is a serious problem for Mozambican tourism. According to Guambe & Da Silva (2022), terrorism in the northern regions has deterred international tourists and created an image of insecurity throughout the country, including in areas unaffected by the conflict but which still retain their natural beauty and tourism potential, now significantly underexploited.

The province of Inhambane, with its golden beaches and five-star resorts, is a microcosm of both the potential and challenges within Mozambique's tourism industry. It is worth mentioning, however, that Inhambane serves as an "international poster child for romanticized tourism settings" but is also marked by broader socio-economic inequalities experienced throughout the country. This is particularly evident in the region's infrastructure systems (e.g., luxury hotels next to underdeveloped local communities). These two realities bring to the fore essential questions about who truly benefits from tourism and indicate that more inclusive tourism models are necessary to tackle local socio-economic imbalances (Stacciarini & Stacciarini, 2020).

As Guambe & Da Silva (2022) have also observed, foreign investment in tourism and related sectors, as witnessed in areas like Inhambane, has placed Mozambique in an ambivalent position.

It has helped the local poor by boosting the economy via resort hotels and creating jobs for the local population. However, it has also fostered external capitalist dependence and deepened local inequities.

What Inhambane highlights is the importance of pursuing tourism growth in tandem with development, working from the ground up and engaging local people in planning and implementation processes rather than delegating such decisions almost exclusively to international or national authorities (Guambe & Da Silva, 2022).

3.3 Data Collection Instruments

3.3.1 Design of the questionnaire

As a data collection instrument, a semi-structured interview was chosen as per below:

Table 3.1: Correspondence between Research Questions, Thesis Objectives, and Influence from Literature.

Interview Question	Relation to Thesis Goal	Influence from Literature
What is your value proposition?	This question aims to understand how small entrepreneurs position themselves within the creative tourism sector, aligning with the thesis goal of analyzing their involvement and strategies.	Al-Ababneh (2017) emphasized the importance of unique value propositions in creative tourism, where businesses create personalized, immersive experiences for tourists.

How has the value proposition evolved in recent years?	Understanding the evolution of business strategies helps to examine the challenges and adaptability of small entrepreneurs, which supports the thesis objective of analyzing their participation in the sector.	Richards & Wilson (2007) discuss how co-creation and active engagement have changed tourism, which informs the need to study business evolution.
What resources and competencies do you have to offer products and/or services?	This question assesses how small entrepreneurs utilize local resources, contributing to the goal of understanding the operational landscape of creative tourism.	Dias et al. (2020) highlight the importance of local resources and cultural heritage in tourism, especially in rural or underdeveloped areas.
Have you been supported by external entities to establish your business?	Investigating external support helps uncover challenges faced by small entrepreneurs, relevant to the second thesis objective.	Guambe & Da Silva (2022) address the vulnerabilities of the tourism infrastructure in Mozambique, underscoring the importance of support systems for small businesses.
How is your relationship with customers?	This question explores customer engagement, which relates to the thesis's focus on the co-creation model and its impact on the business.	The concept of co-creation in travel services is emphasized by Richards (2020), who noted the significance of customer interaction in enhancing tourism experiences.

Are the products customized or standardized?	Customization of products reflects the creative and personalized nature of the entrepreneur's offering, aligning with the goal of examining creative tourism as a business model.	According to Richards & Raymond (2000), customization and co-creation are key components of creative tourism, encouraging active participation by tourists.
Are the customers satisfied?	Customer satisfaction is directly tied to the success and sustainability of small businesses in creative tourism, supporting the thesis's goal of understanding business outcomes.	Al-Ababneh (2017) emphasizes the role of customer satisfaction in co-created tourism experiences, where tourists actively engage and return based on positive experiences.
How do you view the results of your business?	This question provides insights into the entrepreneur's perception of success, which helps achieve the thesis's goal of analyzing business sustainability.	Richards (2020) discusses how creative tourism can drive sustainable business practices, particularly in areas with limited resources.

3.3.2 Sample selection and interview process

In August and September 2023, interviews were conducted in two areas central to the research problem: Maputo, the capital, and Vilanculos, a coastal town frequented by tourists. These locations were deliberately selected to provide perspectives from entrepreneurs dealing with both locals in the city and tourists on the coast. Permission to conduct the interviews was verbally requested, and each interview lasted about 15 minutes, which was long enough to uncover the story but not too time-consuming for the small entrepreneurs. Permission was also requested to record the interviews, ensuring that no details were missed, while also taking some photos to

document their work and products. This visual element added another layer to the understanding of their businesses.

To undertake this research, six case studies from small business owners in Mozambique were examined. The completion of six cases corresponds with the notion of “saturation,” a qualitative research concept. At the highest level, saturation is reached when you start to hear repeated statements from participants and when no new interviews provide additional perspective (Glaser & Strauss, 1967). By the sixth interview, it was clear that the data derived from each entrepreneur were telling consistent stories and revealing the same key insights, so the point of saturation was achieved, as more interviews would not likely offer new or noteworthy information. In this regard, according to Mason (2010), data saturation is critical in qualitative research to provide confidence in the depth and stability of themes identified without unnecessary redundancy.

CHAPTER 4: CASE STUDY

4.1 Results

The interviews conducted with small entrepreneurs in Mozambique (Annexes A, B, C, D, E, and F) reveal a variety of insights into how creative tourism impacts their businesses. Across the six case studies, entrepreneurs discussed their value propositions, the resources they use, their relationships with customers, and the results of their business operations.

Entrepreneur A (Annex A) has been working in handcrafting for 21 years. He aims to make his products unique and of high quality, using local materials whenever possible. The entrepreneur is satisfied with the consumer demand for his products. However, sales income only covers the expenses needed to support his family.

Entrepreneur B (Annex B) is involved in fishing and selling fresh seafood. After the economic crisis, the entrepreneur suffered from an increase in the number of competitors, but his long-standing customers continued to buy his produce. His mission to supply customers with fresh seafood caught by himself has become less profitable than it was before the crisis.

Entrepreneur C (Annex C) is running a seafood business and operates a booth near the sea, where he cooks and sells his products. The entrepreneur enjoys his work but believes that his remaining profit has decreased due to increased competition and a lack of uniqueness in his products.

Entrepreneur D (Annex D) produces handcrafted products and organizes master classes for tourists to create their own souvenirs. He claimed that this creative addition to his business has boosted his income and customer satisfaction.

Entrepreneur E (Annex E) is engaged in handcrafting to preserve local culture and conducts workshops, including lessons with schools to teach youngsters how to make souvenirs using traditional techniques. Both the entrepreneurs and their customers are satisfied with the feedback regarding the product and the experience.

Entrepreneur F (Annex F) runs a guest house and offers guests cultural activities such as diving and kiting services. The entrepreneur reports success but believes that customer satisfaction could be further improved.

4.2 Discussion of the Results

4.2.1 Extended Horizontal Analysis

The entrepreneurs' socio-demographic characteristics represent one of the factors that significantly influence their potential to adapt to the creative tourism market. For example, *Entrepreneur A* has over three decades of experience in handcrafting and now must shift from a product-based approach to one that integrates hands-on and participatory aspects, crucial for creative tourism, as indicated by Richards and Raymond (2000). In contrast, *Entrepreneurs D and E* have recently entered the market but were able to identify the increased enthusiasm for experiential tourism, aligning with Chathoth et al. (2013), who claim that co-creation has become a necessary condition for survival in modern tourism markets.

These two businesses have significantly different value propositions: *Entrepreneurs D and E* offer visitors an experience of the local culture that goes beyond just selling a product, implementing participatory workshops that give tourists a role in the creative process, thereby providing them with higher perceived value, which justifies premium pricing. This aligns with Chathoth et al. (2013), and they work collaboratively with tourists to co-create value. In contrast, *Entrepreneurs B and C* rely on traditional models, and their monetization strategies limit them to simply selling their product (seafood), which is a highly competitive market that is difficult to differentiate in tourism. This lack of innovation is what Richards (2020) described, noting that businesses that fail to offer unique, experience-driven products struggle to compete.

The resources and capabilities of the entrepreneurs also play a crucial role in their ability to innovate and survive. In the case of *Entrepreneurs D and E*, even though they had little to no institutional support, they made use of local cultural knowledge and craft to achieve innovation by offering interesting and memorable tours that cater to tourists. This aligns with Richards and Wilson's (2007) approach, which states that creativity in tourism depends on translating cultural content into interactive products that are attractive. On the other hand, *Entrepreneurs A, B, and C* are challenged by a lack of financial resources and support networks, which makes it difficult for them to innovate or scale. This aligns with what the OECD (2014) argues that vibrant policy frameworks are required to aid small entrepreneurs, particularly in developing contexts where such resources are scarce.

The differences between the entrepreneurs are even more significant in terms of customer relationships. Both *Entrepreneurs D and E* have formed deep, long-term relationships with customers through personalized co-creational experiences. Engagement at this level results in the establishment of loyalty, which in turn leads to repeat visits. This finding aligns with the results of studies by Chathoth et al. (2013), who argue that co-creation enhances the emotional tie between business and customer. An example could be *Entrepreneur D*, whose workshops teach tourists how to create their own souvenirs, not only offering a physical product but also an unforgettable experience that strengthens the bond with the local culture. In contrast, *Entrepreneurs B and C* have a more transactional relationship with their audience, making it difficult for them to create a lasting bond or incentivize repeat visits without the added interactive dimension. Even though *Entrepreneur A* customizes some products according to customer demands, he only does this for a few loyal customers, resulting in overall decreasing customer satisfaction. This implies that customer satisfaction is highly dependent on how engaged entrepreneurs are with their clients. The immersive, participatory services provided by *Entrepreneurs D and E* lead to higher satisfaction levels. As Richards (2013) suggests, the attraction for tourists is that they get to participate directly in “creative practices,” enabling them to move from a passive viewing experience to an active tourist engagement. However, *Entrepreneurs B and C* fail to cater properly to the contemporary tourist, who demands co-creation and seeks more than just commodified products. This shift in satisfaction levels reflects an increased interest in experience-led travel that is more culturally authentic and fosters a more personal connection.

The economic impact of incorporating creative tourism practices is further underscored by the business results. Improved consumer engagement and financial outcomes are observed in the case of *Entrepreneurs D and E*, who have implemented workshops and interactive experiences. They differentiate themselves by offering one-of-a-kind, tangential experiences for which they can charge premium prices, attracting tourists seeking genuine cultural engagement. As Walmsley (2019) suggests, this approach is necessary for survival in such competitive markets. In contrast, *Entrepreneurs A, B, and C*, while still operating within traditional product-based models, face the pressures of a competitive industry environment, which limits their ability to achieve profitable growth. Their inability to distinguish themselves, especially through experiential tourism offered by other players in the industry continues to hold them back.

4.2.2 Key Takeaways

The success of small entrepreneurs in the competitive tourism industry often hinges on their ability to innovate. *Entrepreneurs D and E* demonstrate how adopting creative approaches can lead to greater customer satisfaction and increased revenue. By offering interactive experiences that invite tourists to engage directly with local culture, they put into practice the ideas of Richards and Raymond (2000), who highlight the value of involving visitors in meaningful, hands-on cultural activities. This kind of innovation not only enriches the tourist experience but also fosters a stronger connection between the visitor and the business.

According to Richards (2013), this leads to a different form of customer engagement, where tourists move from passive consumers to engaged producers. The experience-based elements in which *Entrepreneurs D and E* have been successful lie in the way they get their customers intimately involved, such as through hands-on workshops where tourists are not only exposed to the cultural significance of these practices but also get to create their own. The direct interaction also breeds loyalty and repeat customers, an important component of Chathoth et al.'s (2013) co-creation models. In contrast, *Entrepreneurs B and C*, lacking interactivity or creativity built into their products and services, find it difficult to develop any emotional connection with customers, foster long-term relationships, or generate repeat business.

Creative tourism also offers the opportunity for differentiation to small entrepreneurs in a crowded market. This supports Walmsley's (2019) argument that small businesses need to create authentic, individualized experiences in creative ways and should be culturally rich so they are not easily replicated by other competitors. *Entrepreneurs D and E* have successfully created workshops and hands-on experiences using their positions to drive sales, allowing them to charge a premium for these services, which competitors cannot easily replicate. In sharp contrast, *Entrepreneurs B and C* compete with commodified products, lacking the added value of cultural engagement. As noted by Richards (2020), they face significant challenges in standing out in the competitive market and, therefore, identify their businesses as less profitable due to increased competition.

While these successes are impressive, there are still major hurdles to overcome, many of which relate to the lack of institutional support. Entrepreneurs, whether in developed markets or in emerging economies, face restrictions on their ability to generate economies of scale and maximize creative tourism's potential due to financial constraints, infrastructure deficits, and platform

limitations. For example, Guambe and Da Silva (2022) highlight the high exposure of the Mozambique tourism sector to external shocks, such as political instability and environmental risks, alongside emphasizing some challenges faced by small entrepreneurs. As for *Entrepreneurs D and E*, who have seen some success with their creative tourism strategies, they have also experienced challenges in their ability to scale without wider institutional support. The OECD (2014) underscores the importance of policy frameworks to support small entrepreneurs, ensuring they have access to the resources needed for sustained growth and innovation.

4.2.3 Creative Tourism Empowerment (CTE) Model

The results of this research led to the creation of the Creative Tourism Empowerment (CTE) Model, a systemized way of inspiring other small entrepreneurs in Mozambique and across the world to begin reimagining their businesses beyond products, toward more experiential ways of delivering value. This model describes a journey through several steps, each building towards long-term resilience and growth in a competitive market.

The model revolves around five critical stages: Survival, Innovation, Engagement, Differentiation, and Empowerment. Each of these phases represents an important stage in the entrepreneurship journey, starting with surviving daily competition and progressing to achieving long-term growth and sustainability through the smart utilization of creative tourism, as described below:

Table 4.1 Creative Tourism Model description

Stage	Description	Key Entrepreneurs	Key Authors	Actions/Strategies
Survival Phase	Businesses face external pressures like competition and lack of support	B and C	Richards & Raymond (2000)	Identify pressure points (e.g., competition); Begin planning for change
Innovation Phase	Entrepreneurs adopt creative tourism strategies and co-creation	D and E	Chathoth et al. (2013)	Introduce creative experiences; Implement co-creative workshops

Engagement Phase	Businesses develop deeper customer relationships through engagement	D and E	Richards & Wilson (2007)	Focus on co-creation; Build long-term customer relationships through cultural experiences
Differentiation Phase	Businesses differentiate through unique, immersive experiences	D and E	Walmsley (2019)	Differentiate offerings with unique experiences; Personalize cultural immersion
Empowerment Phase	Empowered businesses achieve resilience and long-term growth	-	Richards (2020)	Solidify resilience by scaling up creative tourism efforts; Continue co-creative engagements

In the *Survival Phase*, small entrepreneurs struggle to keep their businesses alive. This phase is marked by external challenges like economic instability, increasing competition, and a lack of support from institutions such as government programs or tourism boards. For instance, *Entrepreneurs B and C* operate traditional, product-based business models. These models might include selling crafts, food, or other commodities that tourists enjoy but that do not offer a hands-on or deep experience. The dilemma is that these businesses risk becoming commodified (Richards & Raymond, 2000). As a result, their offerings become just another commodity in an already saturated market, lacking the “X-factor” that today’s tourists, especially those seeking creative tourism experiences are looking for. When companies are commoditized, they have a hard time

competing, as their products are undifferentiated and do not offer anything distinctive compared to their competitors.

The *Innovation Phase* occurs in the subsequent stage of the model, where businesses evolve by implementing creative tourism strategies after realizing that their traditional models are no longer effective. This is a significant phase because, at this stage, small entrepreneurs start revisiting their approach and begin offering experiential products instead of merely selling goods. This process is exemplified by *Entrepreneurs D and E*, who introduced workshops and activities that enable tourists to engage more directly with Mozambican culture. These might include crafting workshops or cooking classes, activities that are immersive and teach tourists to experience something meaningful and hands-on. Chathoth et al. (2013) emphasize that co-creation and the desire to actively participate in shaping the tourism experience are crucial for business success, as they provide a better experience for tourists and, consequently, improve customer satisfaction and loyalty.

Once businesses start innovating, they enter the *Engagement Phase*, where creating strong relationships with their customers is now at the forefront. This is when the real benefits of co-creation begin to emerge. By involving tourists in creating cultural products, whether they are making their own souvenirs or learning to cook traditional dishes, entrepreneurs forge a stronger bond with potential customers. These interactions often go far beyond simple transactions and become the kind of lasting experiences that out-of-town visitors associate with the business. *Entrepreneurs like D and E* find that by adopting co-productive methods, the customer base is expanded and solidified. Richards & Wilson (2007) suggest that co-creation can help strengthen the bond between the customer and the business, leading to repeat visits and positive word-of-mouth advertising. This is critical for long-term sustainability in an industry like tourism, where word of mouth plays a huge role, and repeat business is pivotal.

Once businesses have successfully engaged their customers, they move into the *Differentiation Phase*. By this time, businesses are offering more than just products and customer experiences; instead, they are providing something authentic and engaging in a way that is very difficult for competitors to replicate. Entrepreneurs D and E achieve this by designing unique experiences that combine authenticity with personalized services for their guests. Tourists are not just looking or

eating, they are actively participating, transforming the visit into an unforgettable story. As Walmsley (2019) has argued, such businesses are able to differentiate themselves and charge premium prices precisely because they provide a level of personal connection and cultural depth that tourists are willing to pay for. This is even more significant in the creative tourism niche, where tourists seek experiences that go beyond the typical “city walking/bus” trips. They want richer interactions with local cultures, and businesses that cater to this demand will gain higher revenues and a more loyal customer base.

Finally, businesses reach the *Empowerment Phase*, meaning they begin to see resilience and growth. This is where the CTE Model truly comes into play. At this stage, small entrepreneurs are no longer merely providing creative tourism experiences; they have emerged as key stakeholders in their local tourism ecosystem. They offer reliable experiences that are immersive and of high quality, which tourists want and are willing to return for. Moreover, these companies often evolve into important community institutions, partnering with regional artists, cultural institutions, and sometimes even local governments to broaden their service offerings. This reinforces the notion that businesses offering enriching, authentic, and sustainable experiences secure their position in the minds of both international guests and local communities, paying off in the long run (Richards, 2020). This is a fundamental component of the Empowerment Phase, where businesses not only empower themselves but also contribute to enriching the culture and economy of their community.

The *CTE Model* is effective because it provides a step-by-step guide for small entrepreneurs to use. It also acknowledges the substantial challenges any business faces in its early years, particularly in a resource-scarce environment such as Mozambique. However, it gives hope by offering a clear pathway. Small tourism businesses must move from surviving to normalizing, and then to competing, by focusing on engaging their customers and being different. The model does not promise overnight success, but it equips entrepreneurs with the tools and tactics to develop sustainability and growth over time.

This model should be particularly useful for Mozambique, a country with immense potential in the tourism field but also many challenges. Small entrepreneurs, who may not have access to the same resources as larger tourism operators, can still succeed by focusing on the unique aspects of Mozambican culture and offering tourists experiences they cannot find elsewhere. This approach will differentiate their business from others in a way that creates perceived exclusivity and a deep connection to the culture of the place, fostering stronger relationships with tourists.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This thesis examined how creative tourism could be a strategic opportunity for small entrepreneurs in Mozambique. By analyzing the initial years in which these entrepreneurs will, quite literally, have their ‘feet on the ground,’ this research offers a multi-leveled analysis geared not only toward creative tourism itself but also to providing deeper insight into what an entrepreneurial future might look like for Mozambique.

Regarding the first specific objective of this dissertation, exploring the landscape of Creative Tourism in Mozambique, a thorough investigation into how creative tourism projects have developed in this country achieved this goal. Through the analysis, it was confirmed that Mozambique has significant cultural resources to serve as a basis for creative tourism. Yet, as promising as this potential may sound, nearly every organization fails to fully capitalize on these resources. Additionally, creative tourism remains underdeveloped in this country due to infrastructural issues and low institutional support. However, the global trend favoring experiential and culturally significant travel is very promising for the growth of creative tourism in Mozambique.

Regarding the second specific objective, characterizing the involvement of small entrepreneurs in Creative Tourism by examining the challenges they face, the interviews conducted for the case studies revealed how small entrepreneurs were both empowered and challenged by such processes. Entrepreneurs who incorporated tourism elements into their businesses, such as teaching workshops and cultural exchanges, fostered more profound relationships with visitors, becoming less financially vulnerable and benefiting from a growing circle of repeat customers. However, they also faced a number of challenges, such as the scarcity of support and limited opportunities for effective operational scaling. It is, therefore, evident that it is necessary to create more robust structures and collaborate with community councils and external organizations to enable small entrepreneurs to fully capitalize on the opportunities that creative tourism offers.

For the third specific objective, analyzing specific cases of small entrepreneurs engaged in tourism revealed clear patterns: small entrepreneurs that adopted user-oriented and local-centric operations were the ones that most effectively retained and attracted customers. By comparison, those still tied to traditional product-based models struggled to gain their footing in the crowded

market. This study suggests that entrepreneurs who focus on co-creation and experience differentiation have managed to successfully compete and grow, while others have been left behind due to a lack of strong product innovation.

Finally, this research answered the main question: “How does creative tourism influence small entrepreneurs in Mozambique?” For these entrepreneurs, creative tourism provides a solution that enables them to differentiate their offerings, consolidate relationships with their customers, and develop sustainable models for the benefit of society. These companies can help preserve Mozambique’s cultural heritage and increase their profits by moving away from simple product commodification and providing tourists with a more interactive experience. Nevertheless, the study also highlights the need for increased institutional support to overcome challenges such as resource limitations and external risks.

5.2 Recommendations

Based on the case study findings, the following key recommendation emerges: Small entrepreneurs in Mozambique should adopt creative tourism as a strategy to boost their businesses with the help of the Creative Tourism Empowerment (CTE) Model.

Small entrepreneurs should be inspired to embed creative tourism modules within their businesses i.e., interactive workshops, tangible cultural experiences and co-creation offerings. Using this strategy makes them stand out from the competition and provide one-of-a-kind, memorable experiences that appeal to visitors. Local artists could provide workshops and guesthouses organize cultural tours such as ones visiting places where tourists can have real encounters with local traditions, *Entrepreneurs B and C* can implement selling fresh seafood and give the tourists a full tutorial experience of catching their own fish, for example.

As helpful as creative tourism is, it is also possible to fall into the dark side of the moon. Issues like market saturation, outside political or environmental incidences, and chances of over-commercialization must be debated. They should also remain flexible, continuously evolve their product and ensure that their creative products are always original and reflective of the local culture.

Entrepreneurs should bring local authorities, tourist boards and external stakeholders to the table as valuable resources and support structures are crucial for the development of creative tourism initiatives. In light of Mozambique’s susceptibility to political and environmental crises,

long-term commercial viability is contingent upon access to financial, marketing and infrastructural support.

To ensure the development of competitive Mozambican entrepreneurs in the tourism sector, embracing creative tourism appears to be a promising strategy that can benefit them while enhancing market competitiveness and deeper interaction with tourists as well as making valuable contribution for local culture preservation and economic growth. Also, this road they walk down is laden with hazards as creativity meets sustainability while maintaining the core values of authenticity and resilience in light of potential adversity.

5.3 Research Limitations

While this research offers a great amount of insight, there are definitely limitations to consider. It is principally limited by a bias towards qualitative methods (interviews and case studies) which impose strong constraints. Although these approaches offer insight into the experiences of individuals, they do not afford the scope that would be required to make broader generalizations. The interviewer itself is of course also subjective by nature. These findings may also have been skewed at some level by positive accounts being overemphasized by some participants, while challenges were underplayed.

Additionally, the time constraint of the study in other way acted as a limitation. Since data was collected over a short period of time, the results may not demonstrate the lasting effects of creative tourism strategies.

Also, one of the limitations encountered was that creative tourism is still a relatively new field, and much of the existing research focuses on the same ideas, such as co-creation and community engagement. Because of this, it was challenging to find diverse viewpoints that would add depth to the analysis. Most studies tend to repeat the same themes, making it hard to explore new angles. This limited my ability to present a wider range of perspectives, which would have enriched the discussion.

5.4 Future Research Direction

In order to have a better perception of what creative tourism can achieve, future works need to include quantitative methods and enlarge the sample. It would also be interesting to explore the

influence of government policies and international tourism trends on small entrepreneurs in the region with more depth.

As creative tourism is developing, it increasingly also involves digital and virtual tourism experiences, so future investigations could look at implications of these technological advances for small entrepreneurs in Mozambique, for example, how entrepreneurs can harness these tools in a manner that keeps their culture offerings as authentic as possible is an area ripe for further exploration.

Future research should also look at more varied contexts to help broaden the understanding of creative tourism's impact.

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ANNEX A

Case Study Interview with Entrepreneur A

Brief description: A local entrepreneur passionate about Mozambican culture and handicrafts decided to start his own business at the age of 14 with the mission of promoting the country's rich cultural heritage and offering customers high-quality, original products. He produces and sells a variety of handcrafted products, such as beaded jewelry, "capulana" products, and Mozambican souvenirs. The company ethically sources its materials, supporting local suppliers. The products are mainly handmade, using traditional techniques passed down through generations. Each piece is unique and carries the story and authenticity of Mozambican culture. Today, he operates in the city center in a more touristy area.		
Section	Question	Answer
Sociodemographic Data	Gender	Male
	Age	35-44 (35 years old)
	Type of Activity	Production and Sale of Handicraft Products
	Experience as an Entrepreneur (years)	21 years of experience
Value Proposition	What is the value proposition?	Selling high-quality products made by the entrepreneur himself
	How has the value proposition evolved in recent years?	Started with necklaces and later introduced more products like bags, keychains, bracelets, etc.

Resources and Competencies	What resources and competencies do you have to offer products and/or services that satisfy your customers?	Affordable materials from local markets (Xipamanine, Baixa), creative craftsmanship
	Have you been supported by external entities to establish your business (governmental/municipal entities, schools, banks, or funders)?	No external support
Customer Relationship	How is your relationship with customers?	Good relationship, satisfied customers
	Are the products and/or services customized for each customer, or are they standardized?	Some standardized, others customized as per customer requests
Customer Satisfaction	Are the customers satisfied?	Satisfaction is decreasing
Business Results	How do you view the results of your business?	Satisfied with sales and customer admiration of his creativity
	Do you generate enough money?	Quite only to meet family needs
	Is it just a complement to your income?	Main and only source of income

ANNEX B

Case Study Interview with Entrepreneur B

Brief description: 'Seafood by Felipe Miguel' is a small business located in the Fish Market of Maputo, Mozambique. It specializes in selling fresh, non-preserved seafood, caught by the owner himself. The business is driven by the value of offering maximum freshness and flavor in every purchase.		
Section	Question	Answer
Sociodemographic Data	Gender	Male
	Age	35-44 (41 years old)
	Type of Activity	Fishing and selling seafood
	Experience as an Entrepreneur (years)	17 years of experience
Value Proposition	What is the value proposition?	Selling very fresh seafood that has not been preserved, caught by him directly
	How has the value proposition evolved in recent years?	Previously sold in an old market, now operates in a new market with better conditions
Resources and Competencies	What resources and competencies do you have to offer products and/or services that satisfy your customers?	Fishing equipment (nets, traps, hooks), canoe, knowledge of local species, fishing skills, legal fishing permit

	Have you been supported by external entities to establish your business (governmental/municipal entities, schools, banks, or funders)?	No external support
Customer Relationship	How is your relationship with customers?	Good relationship, regular customers
	Are the products and/or services customized for each customer, or are they standardized?	Some regular customers call directly for orders
Customer Satisfaction	Are the customers satisfied?	Customers are not as satisfied as before, more competition
Business Results	How do you view the results of your business?	Enjoys it but not as profitable as before due to competition
	Do you generate enough money?	Struggles, not as profitable as before
	Is it just a complement to your income?	Main and only source of income

ANNEX C

Case Study Interview with Entrepreneur C

Brief description: 'Seafood by the Beach' is a company located on the Marginal near the Fish Market in Maputo, Mozambique. It specializes in fresh seafood fishing and immediate preparation for consumption. The business offers a unique value proposition: freshly caught seafood prepared at the kiosk where customers can enjoy it by the beach.		
Section	Question	Answer
Sociodemographic Data	Gender	Male
	Age	35-44 (44 years old)
	Type of Activity	Fishing and seafood restaurant
	Experience as an Entrepreneur (years)	11 years of experience
Value Proposition	What is the value proposition?	Selling very fresh seafood caught by his team and prepared in the kiosk where customers can enjoy it by the beach
	How has the value proposition evolved in recent years?	Started with just fishing, now offers a different customer experience with the kiosk
Resources and Competencies	What resources and competencies do you have to offer products and/or services that satisfy your customers?	Fishing equipment (nets, traps, hooks), personal boat, knowledge of local species, fishing skills, legal fishing permit, kiosk for seafood sales

	Have you been supported by external entities to establish your business (governmental/municipal entities, schools, banks, or funders)?	No external support
Customer Relationship	How is your relationship with customers?	Good relationship, regular customers
	Are the products and/or services customized for each customer, or are they standardized?	Has regular customers
Customer Satisfaction	Are the customers satisfied?	Customers are moderately satisfied, nothing special
Business Results	How do you view the results of your business?	Loves what he does
	Do you generate enough money?	No, competition and lack of unique offerings are reducing profits
	Is it just a complement to your income?	Main and only source of income

ANNEX D

Case Study Interview with Entrepreneur D

Brief description: A local entrepreneur passionate about Mozambican culture and handicrafts, Manuel Onjuane started his business at the age of 14 with a mission to promote the country's rich cultural heritage by offering high-quality, original products. He produces and sells a variety of handcrafted items such as beaded jewelry, capulana products, and souvenirs from Mozambique. The company ethically sources materials and supports local suppliers, ensuring that each piece reflects the authenticity of Mozambican culture. Recently, Manuel has embraced creative tourism, offering customers hands-on experiences such as workshops where tourists can learn how to craft their own souvenirs using traditional techniques. These immersive cultural activities not only boost his business but also allow visitors to engage with Mozambican culture in a more personal and creative way.		
Section	Question	Answer
Sociodemographic Data	Gender	Male
	Age	34 years old
	Type of Activity	Production and sale of handicraft products
	Experience as an Entrepreneur (years)	14 years of experience
Value Proposition	What is the value proposition?	Selling high-quality products with materials legally acquired, ensuring customer safety
	How has the value proposition evolved in recent years?	Started with a few products, gradually introduced new items over time
Resources and Competencies	What resources and competencies do you have to	Raw materials such as wood, beads, stones, straw, artisan skills,

	offer products and/or services that satisfy your customers?	technical knowledge, and tools for crafting
	Have you been supported by external entities to establish your business (governmental/municipal entities, schools, banks, or funders)?	No external support, even during critical situations
Customer Relationship	How is your relationship with customers?	Good relationship, customers are satisfied
	Are the products and/or services customized for each customer, or are they standardized?	Frequent customers contact him directly for customized and specific items, Manuel offers workshops where tourists can craft their own souvenirs using traditional methods, providing an immersive cultural experience
Customer Satisfaction	Are the customers satisfied?	Yes, 9 out of 10 satisfaction
Business Results	How do you view the results of your business?	Satisfied with selling and having customers admire his creativity
	Do you generate enough money?	Yes, enough to meet basic family needs
	Is it just a complement to your income?	Main and only source of income

ANNEX E

Case Study Interview with Entrepreneur E

Brief description: Carlos Matola is a Mozambican entrepreneur passionate about traditional arts and culture. He started his business, “Arte Viva”, 12 years ago with the mission of preserving and sharing Mozambican art. Carlos produces and sells handcrafted items such as wooden sculptures, paintings, and capulana crafts. His business also offers creative tourism experiences, where tourists and locals can participate in workshops to create their own art using traditional techniques. He collaborates with schools, providing workshops that teach young people about the art and cultural heritage of Mozambique		
Section	Question	Answer
Sociodemographic Data	Gender	Male
	Age	36 years old
	Type of Activity	Production and sale of handicraft products
	Experience as an Entrepreneur (years)	12 years of experience
Value Proposition	What is the value proposition?	Selling high-quality, handmade Mozambican art with interactive workshops
	How has the value proposition evolved in recent years?	Initially focused on selling crafts, now includes workshops for tourists and schools

Resources and Competencies	What resources and competencies do you have to offer products and/or services that satisfy your customers?	Local artisans, quality materials (wood, fabrics), and traditional skills
	Have you been supported by external entities to establish your business (governmental/municipal entities, schools, banks, or funders)?	No formal support, but collaborates with local schools
Customer Relationship	How is your relationship with customers?	Strong relationships, many returning customers, tourists and locals participate in workshops to create their own crafts
	Are the products and/or services customized for each customer, or are they standardized?	Very satisfied, rated 9 out of 10
Customer Satisfaction	Are the customers satisfied?	Customer satisfaction increased with hands-on activities
Business Results	How do you view the results of your business?	Satisfied with cultural engagement and financial success
	Do you generate enough money?	Yes, sufficient to cover operational costs and family needs
	Is it just a complement to your income?	Yes, it is the main source of income

ANNEX F

Case Study Interview with Entrepreneur F

Brief description: Casa Babi is a boutique guesthouse located on one of the most beautiful and lively beaches in Vilanculos, Mozambique. It offers a real B&B atmosphere and has four deluxe rooms that overlook the Bazaruto Archipelago. Guests can enjoy a variety of experiences, including the on-site dive center and kite-surf school, along with the restaurant that serves locally sourced seafood dishes. The guesthouse provides a combination of beachfront views, luxury, and cultural activities, making it a popular choice for tourists looking for both relaxation and adventure		
Section	Question	Answer
Sociodemographic Data	Gender	-
	Age	This guesthouse exists in 7 years
	Type of Activity	Guesthouse (Boutique B&B)
	Experience as an Entrepreneur (years)	-
Value Proposition	What is the value proposition?	Beachfront accommodation with personalized services, including a dive center
	How has the value proposition evolved in recent years?	Added more cultural activities such as Bazaruto trips and kite-surfing
Resources and Competencies	What resources and competencies do you have to	6 employees, partnerships with local guides, excellent facilities

	offer products and/or services that satisfy your customers?	
	Have you been supported by external entities to establish your business (governmental/municipal entities, schools, banks, or funders)?	Supported by tourism boards for marketing
Customer Relationship	How is your relationship with customers?	Reasonable
	Are the products and/or services customized for each customer, or are they standardized?	Customized, based on guest preferences
Customer Satisfaction	Are the customers satisfied?	Rated 7 out of 10
Business Results	How do you view the results of your business?	Still room for improvements
	Do you generate enough money?	Yes, enough to maintain the guesthouse and improve services
	Is it just a complement to your income?	Yes, the guesthouse is the main source of income