AN INTEGRATED VIEW OF INNOVATION EMERGING FROM A REGIONAL FESTIVAL

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ABSTRACT
Scholars of economics, industrial systems and organisations have extensively examined the application of innovation theory in numerous economic environments and yet this adaptation has not been common in sociology. This paper reviews innovation theory in the context of a regional festival in NSW, Australia, where research has demonstrated the links between interactive network relationships and innovation. The research demonstrates an abundance of innovative activity that can occur at a regional event both from an economic and social perspective. It is suggested that a holistic typology may be useful for researchers and regional planners to more closely examine the characteristics of innovation occurring in a regional community.

KEYWORDS
Innovation, Network, Festival

INTRODUCTION
The study of innovation has become an increasingly large and diverse field that has applications across many industries. Scholars of economics, industrial systems and organisations have examined the application of innovation theory in an attempt to understand the phenomenon in economic environments; however, interestingly this adaptation has not been so broadly applied by scholars of social structures and sociology. The relatively new study of events is also yet to consider the concepts of innovation and network interaction. This paper reviews innovation theory, both from an economic viewpoint and from the less developed social perspective. It examines these as related to a regional festival in NSW, Australia, where research has analysed the relationship between innovation and network interaction.

The objectives of this paper are to demonstrate that;
1. Innovation occurs through network interaction at a special event/festival,
2. Innovation can be examined through the utilisation of a typology inclusive of social innovation, and
3. Both business and social innovation can result from festival participation.

Subsequently, this paper focuses attention on the potential for discussion on the topic and to establish a direction for the relationship between the two fields of research. The outcomes of this discussion, and the resultant typology, seek to assist researchers and event planners in examining the characteristics of innovation occurring in a regional community, and in planning event environments where innovation may occur.

The use of a case study has allowed these issues to be examined within an event-based environment - a regional festival - chosen because of its propensity to display both social and business innovation. The case study is the 2003 Northern Rivers Herb Festival (NRHF) in Lismore, Australia where local industries and concerned individuals first created an event in 2001 to ‘promote the culture of natural living, incorporating herbs and related products, cuisine as well as environmental sustainability’ (Lismore Unlimited Opportunities Plan, 2001). The event was supported by the Lismore Chamber of Commerce with substantial funding and logistical support provided by Lismore City Council and other industry partners. It was
well received as an opportunity for the local community to celebrate and learn more about the local region’s burgeoning herb industry. As such, the event encouraged participation from a range of local industries, arts performers and other community groups. It has been successful in drawing audiences of approximately 10,000 people from both the local area and other generating regions in NSW and QLD.

Innovation Theory

In a recent article, the founder of Java, James Gosling, described innovation as a, ‘slippery and squishy thing’ (SMH, 2005, p.20). Equally ambiguous definitions have been proposed by others. For example, The American Heritage Dictionary of the English Language (2003) defines innovation as ‘the act of introducing something new’ or ‘something newly introduced’. This simple definition leads to indistinct interpretation, as the question is posed by Johannessan, Olsen, & Lumpkin (2001) ‘what is new, how new, and new to whom’? The concept of what is new is based on individual perception of what is ‘new’ or what is a change in customs. Individual perceptions and fields of experience and/or reference affect these ideas. In essence, what is innovative to some, may be staid and not very new to others.

The list of authors discussing innovation is vast and the range of contexts equally large to include such areas as veterinary science (Kodoma, 2000), water services (Matthews, 1997), process plants (Hutcheson, Pearson & Ball, 1995) and technology (Casper & Glimstedt, 2001), to name but a few. Throughout these studies, most agree that the first real working definition was provided by Schumpeter (1954) who stated that ‘innovations are further developments of inventions, or just bright ideas for making them into useful products’. This definition creates more ambiguity, as the question is then posed, ‘useful to whom’? What may appear to be a brilliant innovation in one culture, or industry, may appear completely useless in another. It is then a matter of subjectivity and context. Solutions to these definitional problems have been attempted by scholars such as Slappendel (1996, p.107) who contends that ‘the perception of newness is essential to the concept of innovation as it serves to differentiate innovation from change’. This appears to be an essential underpinning of the concept of innovation; however further questions are posed.

The continuous development of an idea to becoming an ‘innovation’ is a further dilemma. As recognised by numerous authors (Schumpeter, 1954; King, 1992; McDaniel, 2000; Fagerberg, 2003), the vast majority of innovations develop over time and in conjunction with other individuals, businesses and governments. The exact point at which an innovation is conceived and or launched is thus hard to establish. The development of innovations to a marketable and economically feasible product or service often is the result of many successive innovations with a number of contributors. Acknowledgment of this idea has led to the development of a working definition given by King (1992, p. 91) that ‘innovation is the sequence of activities by which a new element is introduced into a social unit, with the intention of benefiting the unit, some part of it, or the wider society’. This definition appears, in part, to resolve the aforementioned dilemmas. The concept of continuous development is addressed by establishing the need for a sequence of activities, whereas, the idea of ‘newness’ is addressed through the concept of a “new element” and the “intentions for benefitting the unit”. As such, the definition provides a practical base for the study of innovation and is thus adopted for use in this research when identifying innovations arising from the NRHF network.

The development of theories on the process of innovation has also led researchers to adopt a systems approach where contributing and interacting elements can be viewed from a holistic perspective as contributing to the innovation. This approach is especially useful when examining a festival, where the innovations developed when staging the event are the obvious result of collaboration from a number of stakeholders. A systems based view however, is not the only perspective necessary to sufficiently analyse innovation in a festival context. Innovations resulting from a festival are not solely the result of the interaction of the system, but can also result predominantly from the independent actions of entrepreneurship shown by individuals, and their social relations with others within the network. A more accurate procedure may be to adopt the work of Johannessan et al. (2001, p.21) who, through an extensive review of the innovation literature, have identified four different approaches or orientations to innovation (an additional three to the systems approach):

- Individual-oriented – studies examine the personal attributes that make innovation more likely. These
attributes include age, education, cognitive style and creativity.

- Structure oriented – focusing on the organisational attributes and structure that facilitate innovation.
- Interactive oriented – focusing on how action influences structure, government interaction and regional innovation.
- Systems of innovation oriented – focusing on interactive learning, knowledge creation and networks.

Johannesan et al. (2001, p.21)

It is proposed that all of these approaches can be recognised when analysing innovations occurring as a result of staging a festival.

A festival provides a number of products (food, produce and gifts) but predominantly provides services such as entertainment, food service and information. As shown in Table 1 it is a simple task to envisage innovation occurring in event products and services, within an existing framework such as the one provided by Trott (2002, p.14). Similarly, innovations occurring within an event organisation can be described as organisational innovation, as well as process and marketing innovations. The application of Trott's (2002) typology to the event environment is provided in Table 1, with some suggested examples of the event activities where innovations may be occurring.

Table 1 Typology of Innovation for Events

<table>
<thead>
<tr>
<th>Typology of Innovation</th>
<th>Suggested Event Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product innovation - the development of a new or improved product.</td>
<td>New foods from food stalls</td>
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<tr>
<td></td>
<td>New themed area for music</td>
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<tr>
<td>Process innovation - the development of a new or improved manufacturing process.</td>
<td>New audience ticketing process</td>
</tr>
<tr>
<td>Organisational innovation – e.g. a new venture division, new internal communication system, introduction of a new accounting system.</td>
<td>New event committee structure</td>
</tr>
<tr>
<td>Management innovation - TQM systems, Business Process Re-engineering, SAP systems.</td>
<td>New risk management system</td>
</tr>
<tr>
<td>Production innovation – e.g. Quality circles, Just in Time manufacturing system, new production planning software, new inspection system.</td>
<td>New event production system</td>
</tr>
<tr>
<td>Commercial/marketing innovation - new financing arrangements, new sales approach, e.g. direct marketing</td>
<td>New marketing techniques using direct marketing</td>
</tr>
<tr>
<td>Service innovation – e.g. telephone financial service</td>
<td>New information services for audiences</td>
</tr>
</tbody>
</table>

Adapted from Trott (2002:14)

Analysis of innovation occurring at an event however, must also take into account other experiential factors of the event. The products and services are supported by a 'physical ambience' and 'social atmosphere' that cannot be ignored as an essential part of the festival. These elements lead to the incorporation of social innovation in analysis of innovation at a festival.

If innovation can be described as squishy and slippery, then social innovation is at best rubbery and amorphous. The study of social innovation has been somewhat formalised by the proposal of an encompassing definition by the Center for Social Innovation: ‘Social innovation’ is defined as ‘invention, adjustment or application of new societal concepts applicable to decision making and development processes in public administration, political bodies, legislation, private enterprises, organisations of the social partners and of the civil society’. This all encompassing definition allows for broad interpretation and leaves the door open for situations to be described as ‘social innovation’, with little analysis of the meaning or context of this term (e.g. Barraud-Didier, 2002). The exception to this deficiency is Thompson (2002, p.412), who defines social innovations as ‘new, creative and
imaginative community initiatives - led by enterprising people’. Further to this concept, McElroy (2002, p.31) contends that social innovation is another form of social capital. Phrased as ‘social innovation capital’ he explains that this refers to the collective manner in which whole social systems (i.e. firms) organize themselves around - and carry out the production and integration of new knowledge’. Further, Drucker (1985, p.159) identifies social innovation as one of the more important and necessary elements in creating a more entrepreneurial society where ‘innovation ... does not have to be technical, does not have to be a ‘thing’ altogether. Few technical innovations can compete in terms of impact with such social innovations as the newspaper or insurance’. Drucker (1985) uses his interpretation of social innovation to include the areas of public policy and not-for-profit organisations including for example; labour relations, legislative changes, educational development and health care. To expand this way of thinking other examples where innovation is targeted at improving community capacity can include areas of sport and recreation, as well as arts and entertainment (Thompson, 2002). One author with a compelling argument for social innovation is Collins (cited in Hesselbein, Goldsmith & Somerville, 2001) who concludes that it is the ‘Most powerful and profound form of innovation’.

The inclusion of social innovation would complete a typology of innovation that could be applied to the examination of festivals and as such is the one used for this study. These types of innovation include product, process, organisational, management, production, commercial/marketing, service and social innovation. Often however, innovations need to be viewed from a more holistic perspective, where powerful links are formed between several types of innovation. In Drucker’s (1995) example cited above, newspapers could be seen more accurately as a product, process and social innovation. A more holistic approach to identifying innovation may assist in understanding how and why innovation occurs.

While these approaches and perspectives on typology can be useful for classifying and conceptualising innovative activity, there is clearly still some divergent discussion amongst writers as to what it is that promotes and causes innovation. As stated by Johannessen et al. (2001) ‘... in spite of the large amount of research in this area during the past fifty years, we know much less about why and how innovation occurs than what it leads to’. This is of course, no surprise, given the immense range of industries, contexts, environments and organisations that innovation dwells within. There can be no ‘one-size-fits all’ in terms of process and development.

What has developed in place of a direct solution to identifying how innovation occurs is to examine the types of contexts, environments and organisations where innovation prospers. In this area too there is an abundance of studies with both related and unrelated findings. Some common themes include: the tendencies for innovation to develop in clusters (Cooke, 2002), the effect of imitation on innovation (Fagerberg, 2003), the importance of entrepreneurship to innovation (Drucker, 1985, McDaniel, 2000) and the links between networks and innovation (Alexander, 1995; Heracleous 2003; Nijkamp, 2003). The latter of these concepts forms the basis of this study where research was conducted into innovation in a festival context where the organisational structure could best be described as an informal network.

**Event Networks**

It has been suggested that individuals and organisations form the basis of an event network where stakeholders of a festival combine and interact together to produce the event (Allen et al., 2002; Mackellar 2005). While networks can take a multitude of forms, Ebers (1997) suggests simply that, if more than two organisations are linked through such networking relationships as alliances, consortia, subcontracting, outsourcing or other cooperative arrangements, they constitute an inter-organisational network. The collaboration typical within the festival environment is suggestive of an inter-organisational network which offers a unique opportunity to conduct business and where months of planning result in a one-off opportunity to present a product or service, test new ideas and interact with new and existing customers. This network offers the opportunity for spontaneous interaction between businesses and an opportunity to see the products and services of other businesses who may be competitors or allies. The event itself offers an opportunity to strengthen the ties between actors (Granovetter, 1985) and utilise shared resources.

**METHOD**

The principles of qualitative research, described by Denzin & Lincoln (2000), were used as a basis to design the research study. The primary design of the research
employed a case study using qualitative interviews and other sources of supporting data such as web-sites, local media and council documents. The design, as described by Yin (1984), aimed to seek evidence of innovation at all levels of the typology. The use of case studies as a form of qualitative analysis is common in business disciplines such as accounting and marketing and increasingly in event studies. According to Muthaly et al. (2000, p.141), many researchers in these disciplines have recognised that case studies are likely to 'provide more meaningful results in examining complex relationships and transactions than research methods that are solely based on quantitative analysis'. Similarly, Driesing (1972 cited in Muthaly et. al., 2000, p.142) suggests that, ‘...while quantitative analysis can indicate certain relationships within an organization, it cannot identify the actual inner or interpersonal transactions that bring them about'.

In order to examine the various parts of the event network, data was collected and examined in relation to the event stakeholder groups as described by Allen, et al. (2002). This allowed the collection of varying perspectives from differing event participants in each stakeholder group, who each represented a “node” of the network. The consideration of stakeholders as actors within nodes is a similar method to that used by Rowley (1997) and Pavlovich (2003). The nodes included event coordinators, government agencies, business operators, tourism organisations, arts coordinators and community volunteers (see Table 2). Twelve interviews were conducted using semi-structured interviews where data were collected on;

1. The types and characteristics of innovation occurring as a result of festival participation,
2. The other actors who had assisted with the process of innovation,
3. The relations between actors in terms of their strength (frequency/durability) type (social/business).

The extensive transcripts were coded and sorted into relevant themes for analysis as described further below.

RESULTS

This study found an overwhelming amount of innovative activity occurring as a result of staging the festival, and as such the innovations that have been documented here are by no means inclusive of all innovative activity in the network. They offer a sample of the type of innovations that are likely to occur in this type of festival network where a) the festival has been themed around a local industry -herbs, b) that industry is emerging (Porter, 1996) and c) the festival is in a regional setting where social networks have distinctive qualities (Ebers, 1997).

Identification of Types of Innovation

The analysis of each stakeholder node revealed a surprising amount of innovative activity that has only been possible as a result of the relations amongst the actors in the festival network. One way in which to examine these innovations is to make use of a typology such as the one provided by Trott (2002) - expanded to include social innovation as described earlier. The typology allows researchers to examine innovations by the specific characteristics and the function that they perform for the business or community. Table 2 demonstrates the type of innovation that has been developed at the festival, the initiating node of the network, and the other nodes involved in the process of innovation.

Significantly, Table 2 demonstrates that interaction with others at the event appears necessary for innovation. These results, in conjunction with the literature, indicate that this is a common phenomenon. The NRHF festival is an incubator for a number of types of innovation shown predominantly to be product, marketing, process and social. The results of this study have indicated that those who have particularly benefited are small and medium sized businesses that are in their first few years of operation where the festival offers a new marketplace to showcase their products and meet new and existing customers.
Table 2 - Summary of Innovations across all Stakeholder Nodes

<table>
<thead>
<tr>
<th>Node</th>
<th>Innovation</th>
<th>Innovation type</th>
<th>Other nodes involved in network interaction</th>
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</table>
| Herb Industry Participant (e.g. grower, seller) | New type of crop – finger limes introduced into the region  
New type of holistic health check | Product innovation  
Service innovation | Food specialists  
Convention delegates  
Stall-holders  
Community |
| Arts performer            | New local markets accessed                      | Marketing innovation  
Social innovation | Festival coordinator  
Community |
| Sponsor                   | New product feature of web-site management      | Product innovation       | Festival Coordinator |
| Local Government          | New type of festival to use as draw card for the region | Product innovation  
Social innovation | Festival Coordinator  
Suppliers  
Community  
Sponsors |
| Tourism Industry          | New distribution method local produce through tourist centre.  
Encouragement of tourists to engage in regional cuisine | Marketing innovation  
Long term product innovation | Food stalls  
Festival Coordinator  
Herb Industry  
Community |
| Convention Organiser      | New local product  
Introduction of finger limes | Product innovation       | Herb industry  
Community |
| Stall-holders             | New supplier for chillies  
New ingredients sourced  
New markets identified and accessed | Product innovation  
Marketing innovation | Community  
Festival Coordinator  
Herb industry |
<table>
<thead>
<tr>
<th>Role</th>
<th>Activity</th>
<th>Innovation Type</th>
<th>Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Festival Coordinator</td>
<td>New volunteer labour skills</td>
<td>Social Innovation</td>
<td>Stall-holders, Food specialists, Suppliers, Herb industry, Government dept, Tourism industry, Community</td>
</tr>
<tr>
<td></td>
<td>Job market development</td>
<td>Social Innovation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building social capital</td>
<td>Social Innovation</td>
<td></td>
</tr>
<tr>
<td>Regional Cuisine Association</td>
<td>New activities - The Lemon Myrtle Cook Off</td>
<td>Product innovation</td>
<td>Stall-holders, Food specialists, Suppliers, Herb industry, Government dept, Tourism industry, Community</td>
</tr>
<tr>
<td></td>
<td>New uses for native produce within the region</td>
<td>Marketing Innovation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social innovation</td>
<td></td>
</tr>
<tr>
<td>Community (volunteer)</td>
<td>New employment opportunity using contacts from festival</td>
<td>Process innovation</td>
<td>Stall-holders, Arts performers</td>
</tr>
<tr>
<td></td>
<td>New use of leisure time &amp; new interest in arts activities.</td>
<td>Social innovation</td>
<td></td>
</tr>
<tr>
<td>Food specialists</td>
<td>New uses of native foods demonstrated by celebrity chefs</td>
<td>Product innovation</td>
<td>Herb industry</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Process innovation</td>
<td>Community</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marketing innovation</td>
<td></td>
</tr>
</tbody>
</table>
The festival site provides a temporary marketplace where businesses can visualise their position in the market, meet and observe their competition and make plans with their allies. From within this environment, a number of innovations are created. For event and industry planners, it is useful to note that a number of types of innovation are likely to occur as a result of creating an optimised network for the purpose of staging a festival. The first type of innovation that has been observed, however, relates to a primary function of a festival, being to foster cultural development as it relates to the values and aspirations of the community. Social innovation is of equal importance to the festival stakeholders, as much as other economic innovations. In effect, the festival represents a unique arena where environmental, social and economic goals can be attained through fostering innovation. The types of innovation are explored further below.

Social Innovation
The building of social capital through the development of new relationships and the strengthening of existing ties (Putnam 1995, Granovetter 1974, 1985, 1992) can be achieved through the development of a festival. This type of innovation has included the community gaining a new sense of place (Derrett, 2001, p.33), having new regional products to celebrate and showcase, increasing the community's pride of people, place and landscape and having new forms of interaction. The festival is a social innovation, as defined by Thompson (2002, p.412), a 'new, creative and imaginative community initiative – led by enterprising people'. The ability for a festival coordinator to create social innovation depends upon some aspects of the network being fostered and developed. Indications from this study suggest that the network needs to have a mixture of weak and strong ties involving a wide variety of existing social networks and associations, as well as having the financial and in-kind support of sponsors and local businesses. Evidence from this study demonstrates that social innovations occurring as the result of the NRHF also include:

- Increased community participation through new applications of volunteer labour and their associated skill development (e.g. use of Rural Fire Brigade for traffic control);
- New sources of interaction and entertainment during and after the festival from the range of local and new entertainment on display (e.g. arts performers access new local markets);
- Increased sense of ownership in the regional herb produce and its use in home cooking (e.g. regional cuisine activities);
- Development and promotion of a cultural image that is inclusive of the herb industry (e.g. promotion of the event to other tourist generating regions).

Social innovations (new creative community initiatives) bring about important social benefits for the community. The staging of the NRHF has provided innovation in creating new ways of acting together. This is true for the general community who attends the festival, but is especially true for those who are involved more directly in the development of the event as part of the festival committee. Through the experiences of organising the event and interacting with various parts of the community, social innovation is occurring as the social ties of the region are formed and/or strengthened. New channels of interaction provide opportunities for new levels of trust to be formed between community members and between businesses, local government and community groups, and therefore increase the likelihood of innovation (Perry, 1996).

Marketing Innovation
The important contribution that a festival provides for businesses is the opportunity to test their markets. This is true for most festivals, but is likely to be especially relevant to businesses in an emerging industry where businesses are less than two years old and products and brands are still under development (Porter, 1996). For businesses in this case study, a range of opportunities for marketing became available that has since assisted them in developing marketing skills, developing their product/brand further and showcasing their product to new and existing markets. These marketing innovations are reflective of the marketing innovation identified by Trott (2002) are described briefly below.

- Product launch – the festival provided a business with the opportunity to launch its product.
- New distribution channels – businesses were approached by distributors willing to distribute their product for them in non-traditional outlets.
- New sales approach – several businesses used the festival as a new place to gain direct sales. For many home based businesses, this offered a chance to come face-to-face with customers and to personally inform...
and persuade them about their products.

- **Brand awareness** – the festival offers businesses a different opportunity to raise the awareness of their product brand. Some seized this opportunity by making use of the festival to sponsor activities, place banners and erect tents in prominent positions.
- **New market testing** – the festival provides businesses with a concentrated number of potential customers that are attracted to the event because of its theming. If the product is matched well to this theme, there is the potential to develop a new market segment. As explained by one stall-holder ‘My product sells well at the local markets, but the crowds that are attracted to the festival are very different, they accepted my product very well. For me this was a great event in finding new markets’.

**Service Innovation**

There is evidence from this study that the festival experience is helpful to emerging businesses in developing their service delivery systems through service level innovation (Trott, 2002). In determining, for example, who is best at servicing the customers in a face-to-face situation, or by developing new processes in which this can occur. For one company, experience and market interaction over three years of participation has led to developing a new service system that allows clients to undertake a meaningful health check that can later be pursued by the company. Similarly, other festival organisers witnessed similar skills development in other stall-holders at the festival. In these instances, service innovation has occurred as a result of interaction with customers in a unique marketplace.

**Process Innovation**

Businesses recall meeting new suppliers for raw products at the festival site and finding new ways to procure ingredients for their products. Some of these new suppliers were attending the festival not as stall-holders, but as part of the local audience. Other individuals, such as chefs, discovered new types of ingredients and ways in which to process them from attending seminars and watching celebrity chefs work with local native foods.

**Organisational and Management Innovation**

Trott’s (2002) organisational and management type of innovations are also highlighted in this case study. The organisational structure for the NRHF is a new type adopted from the highly successful Gilroy Garlic Festival in the USA. The adoption of the organisational system and management functions demonstrate that, with a suitable network structure, consisting of the necessary stakeholders, festivals can adopt innovative methods of organising volunteers and stakeholders into a cohesive whole.

**Product Innovation**

As a result of staging the festival over the past three years, a number of dyadic relationships have been formed between herb growers, suppliers and retailers. This has occurred beyond the immediate region, but for the purpose of this study, intra-region development was examined. Product innovations have included new lines of crops, new types of herb-based produce and new festival activities. The range of product innovations however, goes beyond those that are related to the herb industry. Product innovation has been recognised in new website features that can be applied to the web-site provider’s portfolio of services and in tourism where long term product development has been identified as an important development for the region. The development of a truly regional cuisine may assist in defining the region’s culture and image (Hall, 2003). As such, the development of industries that are related to regional cuisine results in a better cuisine product and in turn a better overall tourist experience. The demand for regional cuisine product is substantial with results from this study suggesting that approximately 20% of all visitors to the tourist information centre are interested in visiting a regional cuisine producer or supplier. The numbers of people indulging in regional cuisine produce would be higher still, with visitors experiencing cuisine products in restaurants, cafes and with host families. The quality of that experience adds to the total satisfaction of the visitor’s experience and the overall impression and image of the region. The results of this study show that important interactions are occurring at the NRHF to develop the use and quality of local produce in products including chilli pastes, locally made sausages and combinations of local seafood with local herb ingredients. New markets are being sourced for distribution to visitors and new suppliers are being sourced for better and more consistent supply of local products. Local producers feel that the development of their local produce is adding to the brand of the region and assisting to define its landscape and culture. This long term perspective of regional cuisine development is integral to tourism planning and management.
Beyond the development of physical products, a number of other innovations are occurring that have a bearing on the regional culture and the development of social capital. In many ways, these also have a contribution to tourism product development and to the cultural branding of the region.

**DISCUSSION**

This paper has demonstrated the breadth and depth of innovation that has occurred as a result of the network interactions at the NRHF. These types of innovations may be typical of those found in a regional network as described by Ebers (1997), where levels of social embeddedness are high and ‘social sanctioning complements economic sanctioning’ (Ebers, 1997, p.11). Simple examples have been found where better access to resources has been made through ‘contacts’ and reciprocity. Stall-holders borrow physical resources from friends and relatives to create a stall for the festival. Without high levels of density and social embeddedness, the capacity for innovation would be reduced. There is evidence from the results presented above that the approaches described by Johannessan et. al. (2001, p.21) may all be relevant to studying innovation in the context of a regional festival.

Certainly interactive approaches focusing on how action (and interaction) influences regional growth have been shown to be a highly relevant approach, however evidence of entrepreneurial individuals and their behaviour also had a large influence on innovative activity. Similarly, the structure of the festival network, with the inclusion of specific organisations that were known for their innovative activity, such as the regional cuisine association, also impacted highly on levels of innovation. Finally, the systems created through the development of the event network also had influence over innovative practice and individuals’ freedom to create new products and interact freely with customers.

The use of a qualitative based case study has also assisted in exploring a holistic perspective of innovation at the event. Such an approach, inclusive of a social has allowed the researcher to explore some of the underlying network structures and relations assisting in creating innovation.

**CONCLUSION**

The aim of this study was to contribute to the discussion of innovation, by providing a new context for consideration. Often festivals are seen to provide a direct economic benefit to regional economies. The results of this study indicate that innovative activity occurring as a result of the festival can have high levels of indirect economic benefit whilst simultaneously contributing to social and cultural development. The evidence from the case study suggests that the use of an integrated typology, inclusive of economic and social innovations, allows researchers and event planners to re-evaluate and further consider the value of festivals to the local economy and community.

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