Strengthening Regional Economies through Resilient Tourism SMEs

Policy Brief – Insights from the INSPIRES Project

Key Messages

- **Tourism SMEs are essential to regional economic stability and territorial attractiveness.**
- **Digitalisation and sustainability are mutually reinforcing drivers of resilience.**
- **Regional and local policy frameworks play a decisive role in enabling SME resilience.**

Executive Summary

Tourism SMEs are a backbone of local and regional economies across Europe, particularly in coastal, rural, and structurally weaker regions. They generate employment, support regional attractiveness, and contribute to social cohesion. At the same time, they are highly exposed to climate change, economic volatility, labour shortages, and rising energy costs.

The EU Transition Pathway for Tourism provides a strategic roadmap for transforming the tourism ecosystem towards sustainability, digitalisation, resilience, and skills development. Evidence from the INSPIRES project demonstrates that resilience in tourism SMEs is not merely a firm-level concern but a strategic regional policy issue. Regions that systematically support resilience-building—through digitalisation, sustainability, advisory frameworks, and coordinated governance—enhance employment stability, reduce vulnerability to crises, and strengthen long-term territorial competitiveness

Evidence collected by the INSPIRES project shows that **resilience in tourism SMEs is not only a business issue, but a strategic regional policy concern**. Regions that actively support resilience-building—through digitalisation, sustainability, and coordinated support frameworks—are better positioned to stabilise employment, reduce vulnerability to crises, and foster sustainable territorial development. Resilience-oriented policies should therefore become a core component of regional tourism and economic development strategies.

1. Why resilient tourism SMEs matter for regions

Tourism SMEs have a strong territorial footprint. Unlike large companies, they are place-based, locally embedded, and closely linked to regional labour markets and value chains. Their performance directly affects:

- local employment and seasonal stability
- municipal revenues and service provision
- the long-term attractiveness of destinations

Due to limited financial and administrative capacity, tourism SMEs are particularly vulnerable to external shocks such as extreme weather events, sudden demand fluctuations, regulatory changes, or supply chain disruptions. Where resilience is weak, regions face repeated economic shocks and growing pressure on public support systems.

Strengthening SME resilience is therefore a preventive investment in regional stability, not merely a sectoral support measure

2. INSPIRES: a European evidence base

INSPIRES has collected and analysed best practices from tourism SMEs and Destination Management Organisations across Europe. These practices:

- focus on practical, real-world solutions
- go beyond short-term crisis response
- demonstrate high transferability across regions

Rather than isolated success stories, INSPIRES provides a **comparative evidence base** showing how tourism SMEs build resilience through digitalisation, sustainability, and cooperation under different territorial conditions.

The INSPIRES policy recommendations are fully consistent with the EU Transition Pathway for Tourism. Both approaches recognise that:

- Green and digital transformation are mutually reinforcing drivers of resilience;
- SME resilience requires enabling policy ecosystems;
- Multi-level governance and long-term coordination are essential.

Positioning regional tourism resilience strategies within the Transition Pathway framework enhances strategic coherence, strengthens eligibility for EU funding, and increases political leverage at European level.

3. What resilience means in practice

INSPIRES shows that resilience is **multi-dimensional**. Successful tourism SMEs typically combine:

- **Economic resilience:** diversification of income, cost control, liquidity planning
- **Environmental resilience:** energy efficiency, resource management, climate adaptation
- **Organisational resilience:** skills development, digital tools, strategic planning
- **Social resilience:** workforce retention, cooperation with local actors and networks

A central finding is that many resilience measures depend less on entrepreneurial motivation and more on **external enabling conditions shaped by regional and local policy frameworks**.

4. Digitalisation and sustainability as key resilience drivers

In this context, **smart tourism approaches are becoming increasingly relevant for regional tourism ecosystems**. Smart tourism refers to the strategic use of digital technologies, data, and connected infrastructure to improve destination management, optimise visitor flows, and enhance the overall tourism experience while supporting sustainability objectives.

4.1 Digitalisation

Digitalisation among tourism SMEs is largely problem-driven rather than technology-driven. Businesses adopt digital tools primarily to address operational challenges, market volatility, and changing visitor expectations. These tools help to:

- stabilise revenues through improved booking, marketing, and CRM systems,
- enhance visitor experiences through digital storytelling, immersive content, and online engagement,
- support data-informed decision-making and demand forecasting,
- strengthen regional cooperation through shared platforms and destination-wide digital services.

For tourism SMEs, participation in smart tourism ecosystems—such as shared data platforms, digital visitor information systems, smart mobility solutions, or destination-wide digital marketing initiatives—can significantly strengthen resilience. These systems allow businesses to better anticipate demand patterns, adapt services in real time, and collaborate more effectively with other actors within the destination.

However, many SMEs lack the technical capacity, financial resources, or strategic knowledge to adopt such tools independently. **Regional authorities and Destination Management Organisations therefore play a key enabling role** by:

- developing shared digital infrastructures and data platforms,
- supporting interoperability and open data systems,
- facilitating access to digital skills training and advisory services,
- integrating SMEs into regional smart tourism strategies.

Many digital solutions remain low-cost and incremental, but their impact increases significantly when embedded within coordinated **smart destination strategies** at regional level.

4.2 Sustainability

Sustainability is increasingly embedded in SME business models and closely linked to resilience outcomes. Common practices include:

- investments in energy and resource efficiency
- circular economy approaches and local sourcing
- regenerative and nature-based tourism offers
- sustainability labels and standards
- strong engagement with local communities

These measures contribute to cost stability, local acceptance, and reduced vulnerability to shocks, particularly when supported by guidance and targeted funding frameworks.

5. Key insights for policymakers

Across the INSPIRES best practices, several cross-cutting insights emerge:

- **Digital and green measures reinforce each other and should be addressed jointly**
- **Many impactful actions are affordable, incremental, and transferable**
- **Networks, cooperation, and intermediary support structures significantly increase impact**
- **Financial, legal, and administrative barriers remain key obstacles to scaling solutions**

6. The role of local and regional authorities

Local and regional authorities shape the conditions under which tourism SMEs can act. INSPIRES shows that resilience is strongest where authorities:

- **integrate SME resilience into tourism and economic development strategies,**
- **provide advisory and peer-learning support,**
- **align regional, national, and EU funding with long-term resilience goals,**
- **ensure coherence between tourism, climate, economic, and digital policies.**

Regions with coordinated, long-term approaches enable tourism SMEs to move from reactive crisis management to sustainable resilience.

7. Policy recommendations for decision makers

7.1 Integrate resilience into regional strategies

Explicitly link tourism SME resilience with sustainability, climate adaptation, and workforce policies.

7.2 Strengthen advisory and peer-learning support

Prioritise low-threshold guidance and knowledge transfer over one-off investments.

7.3 Scale Green and Digital Investments Through Integrated Funding

Use existing funding instruments to bundle sustainability, digitalisation, and skills investments rather than funding them separately.

7.4 Improve cross-departmental coordination

Ensure coherent action across tourism, environment, economic development, and digitalisation.

7.5. Reduce Administrative Barriers

Simplify access to funding for micro-enterprises and improve coherence between regulatory requirements and support instruments.

7.6. Shift from Crisis Management to Preventive Resilience

Embed resilience-building into long-term economic development strategies rather than maintaining reactive support schemes.

7.7 Support the development of smart tourism ecosystems

Promote regional **smart tourism strategies** by investing in shared digital infrastructure, interoperable data systems, and connected visitor services. Integrating SMEs into smart destination management—such as digital visitor platforms, smart mobility services, and real-time data systems—strengthens destination management, improves visitor experiences, and enhances SME resilience.

8. Why action is needed now

Tourism SMEs face cumulative pressures from climate change, demographic shifts, and rising operating costs. Repeated crisis interventions are costly and inefficient.

The EU Transition Pathway for Tourism sets the right priorities. The **INSPIRES Best Practice Compendium** demonstrates that transformation is feasible at SME level — but only where enabling ecosystems exist.

INSPIRES evidence shows that **early investment in resilience reduces future public expenditure** and strengthens regional economic stability. Acting now allows regions to shift from crisis response to proactive resilience-building.

Local and regional authorities are encouraged to:

- **use INSPIRES best practices as a reference for policy design**
- **pilot resilience-focused support measures for tourism SMEs**
- **strengthen cross-regional learning and exchange**

Resilient tourism SMEs are not only economic actors or beneficiaries of EU policy — they are operational drivers of Europe's green, digital, and inclusive transformation.