

Tourism Innovation: Theoretical and Empirical Review

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Abstract Tourism has become one of the principal service sectors of the countries. The economic and social importance that it has achieved has been the result of a series of innovations, such as in transportation, in the technologies information and communications and in the services they offer, among others, which have an important role in this sector and benefiting destinations and visitors. Currently, the new segment, known as millennials tourists, are more informed and demand new experiences and higher quality in its stays, forcing businesses, and destinations to find new mechanisms to boost further innovation and new offerings products and services that are differentiated and highly competitive. This article presents a review of theoretical and empirical studies published by experts in international refereed journals and books on topics related to tourism innovation, in which it discussed the importance of this approach to the study of tourism development.

Keywords Marketing · Innovation · Tourism · Theoretical and empirical works

Introduction

During the last decades, tourism has experienced a continued expansion and diversification, becoming one of the fastest growing economic sectors in the world. Currently, there is a new segment of tourists known as Millennials, who are more informed, demand new and higher quality experiences on their trips, forcing businesses, and tourist destinations to make innovations to offer new products and services, for example the transport and communication systems such as the train, automobile, aircraft, the Internet and social networks. This new market segment

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often consults websites for reviews and feedback, as well as web pages with information about the destination before embarking on the journey; they use social networks as a system of communication to meet the destination and know what is happening at all times.

Although the study of tourism innovation is an important issue, research in this field is recent. The few studies available have examined innovation in tourism from different areas, whether relating to the level of destination (Stamboulis and Skayannis 2003; Volo 2005; Hjalager 2006), hotel companies (Camisón 2000; Law and Jogaratnam 2005; Orfila-Sintes et al. 2005; Martínez-Ros and Orfila-Sintes 2009; Orfila-Sintes and Mattsson 2009) or small and medium tourism enterprises (Weiermair et al. 2005; Pikkemaat and Peters 2006; Hjalager 2010).

The process of innovation in the service sector has not yet been studied enough because it is considered that tourism businesses are not developers of innovations because they purchased from external suppliers and for that reason they are not considered as triggers of a series of innovations (López et al. 2014). Moreover, it is not common for tourism companies to have departments or resources dedicated to research and development (R & D) to create or enhance innovation. Therefore, this article aims to identify the literature on tourism innovation, highlight the theoretical evidence, and present empirical evidence. This review concludes by making a call to the scientific community to continue to conduct research to make a tourism innovation theory and show its importance.

Innovation in Services

This section begins with the definition of the word service and then we continue with the rise of innovation in services. A service is an act that gives one part to another; it is an economic activity that creates value and provides benefits to customers in specific times and places (Lovelock et al. 2004).

There are different approaches in manufacturing that were adopted to innovation in services (Gallouj and Savona 2009; Gallouj and Windrum 2009; Tether 2005): the technical approach (or assimilation) compared innovation in services with the adoption and use of technologies in the context of the manufacturing industry (Barras 1986, 1990; Evangelista 2000). The integration approach (or synthesis) is based on the trend toward convergence between manufactured goods and services to develop a common conceptual framework (Gallouj and Savona 2009; Gallouj and Weinstein 1997). This approach overcomes the materiality and technology bias in the services sector (Gallouj and Savona 2009).

Tourism Innovation

Tourism is a service sector that is in constant process of innovation, because it is a service that sells products, it has to provide new emotions for tourists, if not innovate; therefore, stops providing emotions, and decreases the number of tourists (Plog 1974, 1987), so, tourism requires the companies to innovate in order to keep up with the competition (Hall and Williams 2008). In addition, due to the nature of tourism, tourism enterprises and destinations have more difficulty in protecting their innovations because competition can easily see what others are doing and new ideas can rarely be protected by patents or other mechanisms (Hjalager 2002).

OECD (2005) described innovation as the renovation and expansion of the range of products and services markets; the establishment of new methods of production, supply, and distribution; the introduction of changes in management, work organization, working conditions, and skills of the workforce.

Hall and Williams (2008) point out that innovation is the process of bringing a new idea to solve a problem: ideas reorganization, reduce costs, propose new budget systems, improve communication, or assemble products. Therefore, innovation is the generation and implementation of new ideas, processes, products or services and also the ability to change and adapt to obtain at the end a competitive advantage.

There are different categories of innovation: Hall study's (2009) is made up of the four categories of the OECD in innovation: (1) product innovation: involve new goods and services and significant improvements in them; (2) process innovation: significant changes in production and delivery methods; (3) marketing innovation: referring to changes in product design and packaging, product promotion and methods for pricing goods and services; (4) and organizational innovation: referring to the implementation of a new organizational method in business practices of the company, labor organization, or external relations.

Hjalager provides a basic categorization close to Schumpeter: product innovations, process, organizational/business, and marketing constitute the main body of the categories of innovation.

Damanpour et al. (2009) classified innovation in services according to the following: Service: new services to existing and new customers and offer new services to new customers. Process: (a) Technology: new elements introduced into production systems or service operations to generate products or services to customers. (b) Administrative: new approaches and practices to motivate and reward employees, to design new strategies and change management processes of the organization.

Therefore, the types of innovation in the services area and in the hotel sector could be summarized as follows:

1. Service innovation: create new goods or services or improve existing ones for consumers.
2. Process innovation: changes in the form and sequence of doing things, with greater efficiency and productivity, relying on various tools such as ICTs.

3. Organizational innovation: changes in the ways of carrying out the administration of the organization; search for new structures of cooperation between the public and private or seek to improve the regulatory framework in which tourism areas are based on.
4. Marketing innovation: new forms or changes in the forms of communication to publicize the services or goods to the target market and potential customers, making use of ICT.

It is also important to point what Nieves et al. (2014) suggest: if firms wish to evolve and adapt to their environment through the development of innovations, they are required to have at least three major resources based on knowledge: first, knowledge, skills, and abilities employee (human capital); second, collective knowledge (organizational knowledge); and third, the willingness and ability of managers to access a knowledge beyond organizational boundaries (external social relations).

Knowledge is one of the most important resources in service businesses and is particularly significant due to the performance of activities that require interaction, collaboration, and communication with customers (Sirmon and Hitt 2009). In the tourism industry, improving human capital has become a priority, especially when you consider that most of the workers in this sector are semi-skilled (Hjalager 2002; Walsh et al. 2008).

Empirical Evidence

In terms of empirical evidence, some studies analyze the effects of innovation on competitiveness, on productivity, on knowledge or market attractiveness. Hall and Williams (2008) link innovation to the propensity to survive as a company in a highly competitive market, it is tourism.

Victorino et al. (2005) evaluated the impact of innovation in different hotels categories in North America, and their empirical evidence suggests that innovative companies gain a competitive advantage and a subsequent customer preference to return to that place. Companies that differentiate their products are more successful than those that do not, but this effect is enhanced if there is a development of the human capital, as shown by Walsh et al. (2008).

Blake et al. (2006) conducted some surveys on the impacts of different types of innovations in productivity, they found that the accommodation and the attractiveness of the companies are related to marketing innovations and products that are important for the company and productivity, while managerial and organizational innovations affect less to increased productivity.

Nieves et al. (2014) analyzed the innovation by combining knowledge-based view and relational view. The results of this study showed that in the tourism sector, knowledge is important: high levels of knowledge about the business environment

(competition) and relationships with persons or entities outside the organization contribute significantly to achieving innovation in the sector.

The most comprehensive study that has been conducted to date is based on the National Innovation Statistics of Australia and New Zealand (Hall 2009). The study shows that accommodation and restaurants are innovative at a level which is quite comparable with other economic sectors.

Conclusions

Nowadays, companies from all economics sectors are facing a global increasingly demanding and highly competitive environment. This is why innovation is a fundamental activity for success, even for the survival of the tourism. Tourism is generally ignored as a target sector in innovation because it is characterized by public goods, free riding, and weak barriers to imitation. Yet difficulties, innovation in tourism must be encouraged.

From a conceptual point of view, innovation has been defined in terms of different approaches taken by different authors, being that there is no consensus on the definition of innovation. Of the theoretical and empirical studies reviewed in this article, we can determine the principal variables according to the categories of innovation that influence in tourism

Product innovation: additional services, creating new ideas, hotel category, hotel groups, nature of service, occupancy rate, seasonally, hotel size, quality hotel, and products.

Process innovation: coordination between departments, ICT's and social networks, ways of introducing technology and innovation, process management, technology, and equipment.

Organizational innovation: chain of command, collaboration with customers, employee behavior and training, empowerment, governance, incentives for the development of new skills, organizational performance, knowledge, and staff skills.

Marketing innovation: communication, customer orientation and satisfaction, marketing, media, public relations, market responsiveness, and target market.

This article analyzed studies in which some attempts have been made to explore theoretically and empirically the key concepts of the literature on innovation in tourism. This research concludes that there is a hole between the theoretical and the empirical studies because they still need to bring to the practice what the theory says and applies to the practice to make improvements to the tourism sector, at all the levels: from a macro level (destinations) to the micro level (hotels, restaurants, travel agencies). With the combination of the variables that have an effect on tourism innovation, the tourism sector could improve and innovate to stay in the market and have competitive advantages.

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