

APPROACH ON THE EXISTENCE OF INNOVATION IN TOURISM

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Abstract

This article aimed to highlight the existence of innovation in tourism based on the international literature. From conceptualization of the research period it was found that definition can be universally valid applied in all sectors of the economy and, equally, in the tertiary sector, where there are tourist services. Coming either from English or French, "innovation" defines both a process and its results. Adapting to the constantly varying wishes of customers, innovation is a key element underpinning the survival and existence of competition in a dynamic environment that is changing radically. Current studies reveal that there are other indirect benefits of innovations such as image enhancement, improved customer loyalty, and ability to attract new ones. In this study, it was paid a special attention to the long-term prospects related to the tourism sector in countries such as Australia, Latin America, Africa, China and emerging markets such as India and Indonesia. This has resulted in tourism expenditure forecast for the period 2013 - 2019 performed using information provided by the Ministry of Business, Innovation and Employment.

Key words: forecast, innovation, innovation models.

INTRODUCTION

The concept of innovation was introduced in economic literature by Joseph Alois Schumpeter, which defines it as assembling a new production function, because it covers the case of a new product, a new organization or opening new markets [8]. Another definition of innovation given by Schumpeter, innovation reveals that factors combine in a new way, or is a successful completion of new combinations [8]. Based on the definitions given by Schumpeter, has emerged another definition that innovation is seen as a form of new ways of doing things, or better exposed unique combination of production factors [7]. Schumpeter's innovation studies were continued by Peter Drucker, who believes that innovation consists in a search organized and with a well-defined change and systematic analysis of the opportunities that these changes could provide economic or social innovation [3]. In accordance with the provisions of Peter Drucker, innovation should be understood and implemented as an opportunity that materializes as a new product or service. Innovation may be an idea, practice, process or product that turns an idea

proposed as a solution in an application that is perceived as new by individuals [7].

Although at a first analysis or interpretation we tend to believe that the above definitions refer to innovation that occurs in the production of goods, if we study in detail, we find that they are universal and can be applied in all sectors and also in the tertiary sector, where we find tourism services. Therefore, we must realize that what distinguishes innovation in the tourism sphere of production is accounted for by differences in finished goods.

If in the process of production of a product we are dealing with a commodity, tangible and stored, for the production process of a service is different because the service is immaterial, intangible and perishable or not stored.

This concept is derived from English or French, "innovation" defines both a process and its results.

Classical and generally accepted definition can be exposed as follows:

"Innovation includes all measures of scientific, technical, organizational, commercial and financial resources necessary for successful completion of development and marketing of new or

improved materials and products, new or improved processes, or for the introduction and implementation of a new social service".

Therefore, this concept can be defined as the conversion of ideas, a:

- new or improved product launched on the market;
- operational process (technologic) new or improved use in industry or other economic activities;
- new type of social service;
- organizing a new type of activity.

Romanian tourism industry contributes increasingly higher on economic growth and is one of the best opportunities to create income and jobs for our country. However, Romanian tourism development cannot be considered as guaranteed.

The continuous increase in the number of tourist destinations and improve the quality of existing ones put pressure on those responsible for Romanian destinations to find better ways to compete in the tourism market and to do so in a sustainable manner. Sustainable tourism development comes from the existence of the negative impact on the surroundings, culture and lifestyle of the Romanians.

One aspect of innovation in this area is the existence of new forms of tourism to the detriment of traditional. Competitive advantage [1] is no longer based on the natural potential, but is replaced by the day of the anthropic due science, information and communication technology. New tourism emphasizes the complexity and segmentation of tourism demand, increased flexibility of supply, distribution and consumption and the discovery of new sources of profitability among the industry. A key area in this direction aimed at using information and communication technology.

Innovation is a key element to survival and competition in a dynamic environment that is changing radically.

Thus, the impact of technological innovations will depend, in general, on inventors and creativity to end users of new technologies. According to the WTO, the Internet has revolutionized the distribution of tourist information and travel offers effective selling

default. A growing number of Internet users are online shoppers and tourism will have a share of increasingly large market in e-commerce.

Therefore, innovation in this area is triggering a strong competition between super friendly interfaces for booking/payment online, compare tariffs modules, applications for mobile phones booking accommodation "on the move", software that bids hotels to accommodate potential customers or social travel planning modules etc.

Innovation in firms operating in the tourism services is a default process and held without precise steps, consisting of spontaneity with ideas that develop within the company meet the real needs of consumers.

Lately, the travel and tourism sector has been identified as a priority by the Romanian Government under the National Development Plan. However, even so, the importance of innovation has been underestimated for tourism services.

The hospitality industry is quite shaken where chains of companies and enterprises are constantly forced to seek ways to improve the quality and reputation, reducing costs and increasing sales and profits.

Current studies reveal that there are other indirect benefits of innovations such as image enhancement, improved customer loyalty, and ability to attract new ones.

MATERIALS AND METHODS

Existing innovations in the hospitality industry by their nature are largely intangible. In other words, it is difficult to manage and evaluate in terms of frequency of execution time (efficiency) and the contribution to maintaining customer satisfaction and keeping market efficiency (getting higher benefits or profit) [5].

The study showed that this industry needs a better understanding of the factors that lead to innovation performance.

Measuring innovation in hospitality success is achieved by evaluating new products and services; evaluation is based often on measurements financial performance. For example, the indicators related to income and

profits, sales volume or market share are difficult to determine [7].

Managers argue that one of the most sensitive in the development of new services in the hospitality sector is on the employees. True barometers in assessing the degree of satisfaction of the consumer, they are not only passive elements. Going into direct contact with customers, they can also become sources of innovation ideas and innovations can even propose Welcome desires of potential new services by consumers.

So far studies show that can be identified and indirect benefits of innovations, such as image enhancement, improved customer loyalty, and ability to attract new customers.

In tourism, the focus is on innovative behavior of organizations. According to an assessment by the Boston Consulting Group on innovative behavior of organizations revealed the following ranking of the most innovative companies in the global tourism reflected in the table below:

Table 1. The most innovative companies in tourism

Tourism companies in TOP 50 (mentioned for "unique experience offered to consumers")	Tourism ranking (travel, tourism and hospitality)
17. Walt Disney Company	1. Marriot International
28. Virgin Group	2. Hilton Hotel Groups
30. McDonald's	3. Virgin Group
32. Starbucks Company	4. Starwood Hotels & Resort Worldwide
37. Singapore Corporation	5. Walt Disney Company
49. Southwest Airlines	

Source: Băcanu B., 2009:249 [2]

Over time, under the pressure of market demands and challenges of competition, have developed several models of innovation, one of the best known and most widely used in tourism, is the model Abernathy-Clark.

a. **The Abernathy-Clark** is a model adapted innovations in tourism.

Based on the Schumpeterian idea of "creative destruction" the model classifies innovations studied in two dimensions: intensity subsequent obsolescence of knowledge innovation and change commitments intensity industrial innovations stimulated [4], [6]. Application of the model in the tourism industry is attributed to Anne-Mette Hjalager [4].

Some concepts have not the same meaning for

all authors, which means that research in this area still requires further attention.

The model was developed by Abernathy and Clark and adapted for tourism by Anne-Mette Hjalager; are illustrated four types of innovations: the **usual**, **niche**, **revolutionary** and **architecture**. Presentation of the model is as follows. Its vertical axis indicates the knowledge and skills used to produce services or products. Sometimes the old qualifications and ideas need to be replaced, sometimes developing existing structures is sufficient. Horizontal axis indicates whether model-specific innovations make connections to be obsolete or whether converge towards strengthening existing ones [6].

Through the model shows that radical innovations are the least common. Over a period of time their impact can be considerable. "Normal or incremental innovations are made through existing powers and relations, in some instances increase productivity is improved quality of training offered or employee of a hotel." [10] Niche innovations, such as cooperation with a tour operator, supporting new forms of cooperation and not focus on skills, introduce new structures and architectural innovations are redefining relationships with consumers and existing markets [6].

Using this model of innovation, every firm in the tourism can adapt its services, selecting or combining types of innovation model [9].

Other models of innovation

a. **The linear model "research - technology - market"** or Idea -> Invention -> Innovation -> Market is a model that has dominated almost three decades thinking in science and technology.

This model has adapted so alternative "science push" that could be applied in the period 1950 - 1960 and the alternative "demand-pull" that followed and has the main merit of being linking research - development and product market technologies.

b. The new economy has led the transition from the linear model of innovation to **interactive models or chain link**. In the economic entity model linking chains (chain - link model), based on the existence of new market opportunities and / or inventions

arising in science or technology, and followed by a project for the new process or product that sequentially leads to production and marketing.

It can be seen that, at present, innovation is a set of permanent interactions and feedbacks.

In practice, the terms "process innovation" and "innovation activity" are considered more appropriate to express the fact that the traditional separation between scientific discovery, invention, innovation and technology transfer, no longer exists.

b.1. **The interactive innovation** combines two different types of interactions:

- processes occurring within a company or group of companies engaged in a network;
- relationships between a business and science technology system (broadly), in which it operates.

A feature of the innovation process is given by the cumulative nature.

Most often, an innovation can generate another innovation. The states that have developed successful innovation policies, most often, the future will hold high economic performance.

Despite the above, it was found that the innovation process can be relatively uncertain. In other words, technological change cannot be accurately predicted, expected or interpreted.

c. If the **development model based on investment** is focused mostly on material factors endowment of activity in order to achieve and exploit "comparative advantage" in the model of development based on innovation, investments are mainly oriented towards equipping high level, with factors of "intangible" "intangible" of activity (research, information, education, new forms of work and organization, active and adaptive management) correlated with the development of information and communication technologies to support flows, networks and flexible production structure, high performance [11].

d. The **development model based on innovation**, research (basic, oriented, precompetitive, applied), as transverse branch factor in the economy - the engine of innovation and technology transfer process

control loop system as research - development, have a major role, the key elements of the innovation process, driven by intense competitive climate.

e. The **multipolar model** is functional and applicable, when innovations leading features occurring at different stages in different industries because of their collaborative researches have exceeded the boundaries between industries.

f. The **spirit of innovation** may be evidenced by the fact that a cycle ended innovative leadership failure causes another leader from another branch, each solving specific problems the skills they have.

g. The **innovative cluster type** means a way of concluding alliances modern advantageous because the principle of cooperation and competition, so it can be defined technological skills exist within the branches in order to achieve the fusion of technologies.

RESULTS AND DISCUSSIONS

Ministry of Business, Innovation and Employment show that long-term outlook is positive for the tourism sector. Increased spending is expected to come from countries such as Australia, Latin America, Africa, China and emerging markets such as India and Indonesia (see Fig. 1) [12].

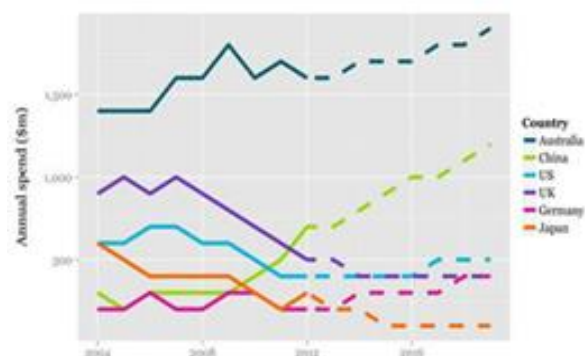


Fig. 1. Tourism expenditure outlook for 2013 – 2019 based on country

Source: Ministry of Business, Innovation and Employment [12]

Michael Bird, General Director of the institutions and systems performance, reported that the forecasts show that the number of visitors and spending is expected to

grow in the period 2013 - 2019, which is great news for the industry and the wider economy of New Zealand.

Also, saying that there will be changes in the composition of visitors, depending on their age, their countries, why they visit, how long they stay and how much they spend.

It is quite clear that the global financial crisis has had an effect on the number of visitors from the UK and Europe traveling in New Zealand. Thus, according to predictions, it is expected that traditional markets such as the UK continue to decline.

Even so, the existing decline in our traditional markets should be more than offset by strong growth in China and Australia. All these improvements are expected visitor arrivals from the United States.

It can be seen that emerging markets in Asia, Latin America and Africa can and will be a profitable source of visitors to New Zealand. The growth in these emerging markets economies is also expected to increase the number of visitor arrivals from Australia that because of resources will benefit from the growing demand of these countries [12].

In conclusion, these predictions will encourage tour operators and providers of related sectors to focus on projected changes in the mix of visitors and actively aligning their business plan to ensure the recovery of these exchanges.

CONCLUSIONS

In the context of a knowledge-based society we should be aware of the idea that knowledge has become the main factor of production and progress, and the need for innovation and learning processes, considered fundamental for sustainable development.

In other words, the concept of innovation has become a true cure for their wide range of organizational enterprises. To enable innovation within organizations, research and development functions are no longer sufficient survival compete successfully on an international dynamic market.

Innovation refers to the production of as many outputs, not ideas or happiness.

For companies operating in the tourism

services, innovation is not predetermined and organized process has no precise steps, most often reflecting the spontaneity with which ideas developed within the company meet the real needs of consumers.

From the above definitions given, innovation can identify their common element, namely the change. Change or needs to change are those that lead to the emergence and development of innovation and market launch of new products or services. Another important factor contributing to the emergence of innovations related to the field of tourism is reflected by the existence of different needs of customers. Tourism companies desire to achieve customer requirements leads, in addition to developing products and services, the chance of gaining competitive advantages. Owning such an advantage helps to increase company profits and hence its development.

Although the opinion of specialists reveals that innovation in tourism is difficult to quantify, practices in innovation and currently used in hotels not only helped companies develop, but also contributed to increase their competitiveness.

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