

Innovation, tourism and social networks

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Objectives | Innovation is an important source of competitive advantage, being a key research topic. Some authors consider that tourism entrepreneurs typically show scarce business skills and limited innovativeness. Many studies additionally conclude that accommodation businesses are not particularly innovative. This study intends to demonstrate the opposite. Tourism enterprises rarely have research and development (R&D) departments or resources dedicated to systematically enhance innovation. However, the research and knowledge acquisition process takes place in a complex and informal way. Therefore, beyond presenting and classifying some examples of innovation in tourism, this research aims to highlight the role played by social networks as a source of knowledge acquisition, and specifically online reviews as an important basis for innovation of tourism businesses.

Methodology | The methodology used was based on a literature review regarding recent studies on the innovation, found in academic databases and in relevant journals, such as Tourism Management, the International Journal of Hospitality Management, Journal of Travel Research, among others. The first step was to analyze articles about innovation, in order to comprehend the most relevant underlying concepts, their evolution and importance in tourism. The impact of specifically information technologies and social networks in tourism in the innovation process was identified, and the role of user generated content (UGC) and online reviews in this context analysed in further depth.

Main results and contributions |

1. Innovation in tourism

Innovation is the generation, acceptance and implementation of new ideas, processes, products or services, and also the capacity to change and adapt (Hall & Williams, 2008). It is an important source of competitive advantage and consequently a key topic for research. In the last two decades, there has been an increasing focus on innovation in tourism (Hjalager, 2010). According to some studies, businesses like tourism accommodation, restaurants and transportation companies are not particularly innovative (Camisón & Monfort-Mir, 2012; Miles, 2008). Indeed, tourism enterprises may not be first movers; nonetheless they rapidly utilize the outcome of new ideas and knowledge. Moreover, there are innovations not

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specifically invented for tourism businesses, but ending up influencing the tourism activity, such as the airline deregulation, an important institutional innovation, that resulted in more competition, higher productivity and lower prices. Some innovations have led to increased performance of tourism companies, while others have contributed to the emergence of new tourist experiences, improving mobility and accessibility, reducing the perceived risk of tourism consumption (Hjalager, 2013). In the literature, product, process and management innovations are presented as some of the main categories (Hjalager, 2010).

Product or service innovations are perceptible to tourists, and may have an important role in the purchase decision, some examples being single qualities of the hotel services, e.g. in the fields of gastronomy, animation, design or wellness facilities (Hall & Williams, 2008; Pikkemaat, 2008).

Process innovations are mainly related with technology (e.g., information and communication technology – ICT) and new layouts. Recently, airports adopt new types of technologies for security reasons, like iris-recognition. There are also some examples of innovation in the food and beverage services, equipments and technologies, allowing energy and labor savings, waste reduction and better sanitation, for instance (Rodgers, 2007). The lodging industry employs technology to improve employee productivity. However, hotel managers should give strategic priority to the implementation of technologies designed to improve guest services (Hjalager, 2010).

Managerial innovations are new ways of organizing internal collaboration, building careers, improving workplace satisfaction, nurturing internal knowledge and competence assets, as well as creating and maintaining team spirit (Hall & Williams, 2008; Hu, Horng & Sun, 2009; Shaw & Williams, 2009). The introduction of loyalty programs is a management innovation, transforming interaction with the customer to a long-term affair (Hjalager, 2010). This is most important nowadays, namely in experience-based tourism activities, where the participation of the customer in the production of the experience is crucial.

II. ICTs and social networks

The adoption of information and communication technologies (ICTs) is an important driving force for innovation in tourism. Nowadays many organizations use ICTs to interact directly and dynamically with their customers, challenging the role of intermediaries and shortening the value chain. The web allows discounts generated from saved commissions and distribution charges. Therefore, a well-informed consumer is in a better position for taking advantage of reduced prices or special offers (Buhalis & Law, 2008).

A website is not just an information system, but also an interface with a vendor, that is a potentially relevant relationship marketing tool (Gefen, Karahanna & Straub, 2003). Many companies are taking advantage of social networks to inform tourists and enrich their experiences. Nowadays social media play an important role in information search and decision making processes (Zeng & Gerritsen, 2014). The “online product reviews provided by consumers who previously purchased products, have become a major information source for consumers and marketers regarding product quality” (Hu, Liu & Zhang, 2008, p. 201). These recommendations available online, are important sources of information because they involve consumer’s experiences, evaluations and opinions, playing an important information and recommendation role (Park, Lee & Han, 2007). The influence is particularly high for experience goods, because their quality is only perceived after consumption, like in the hospitality and tourism context (Ye, Law & Gu, 2009).

However, digging in the web may also become a nightmare, due to the amount of information available online. Increasingly, internet users are confronted with blogs, online reviews or other user generated contents, and feel flooded in as much information, a process labeled as ‘electronic word-of-mouth (eWOM) overload’ (Park & Lee, 2008).

Internet users may have different motivations in searching for tourist reviews on the web, such as saving time in decision making, risk reduction, convenience and quality, aiming at a better buying decision (Hennig-Thurau, Gwinner, Walsh & Gremler, 2004; Kim, Mattila & Baloglu, 2011). When considering the motivations for writing online reviews, beyond social benefits and personal/self-directed aspects, people may feel motivated to help other vacationers as well as to help companies. In fact, if someone is satisfied with a company and its products, naturally he/she may feel motivated to support the company (Bronner & Hoog, 2011).

Moreover, some reviews could be seen as a suggestion or complaint. Sometimes, customer complaints emerge as response toward service failure, which causes dissatisfaction and drives customer switching behavior. The identification and comprehension of complaints is paramount for service improvements, innovations, and increased tourist satisfaction (Park, Lehto & Park, 2008).

III. Impacts of UGC and competitive advantages

Companies have to be aware of this feedback available online free of charges. They have to consider it, not as threats, but as opportunities for their business. If companies analyze and manage the UGC impacts adequately, some competitive advantages can be achieved (Dickinger, 2010; Hills & Cairncross, 2011; Ye et al., 2009). For instance, the information provided allows the interaction with the customers, helps to identify their profiles, and needs, facilitates the solution of potential problem, allows improvements in products or services, or the adoption of new policies (Loureiro & Kastenholz, 2011; Serra Cantallops & Salvi, 2014), among other aspects.

Tourism marketers and managers are very keen on designing strategies to manage online interpersonal influence, especially due to intangible features, the emotional dimension and the high risk involved in purchasing tourism services (Litvin, Goldsmith & Pan, 2008). Therefore, for tourism providers and marketers, an active presence in the social web can be useful to: i) interact with actual or potential customers; ii) understand customers' expectations, experiences and satisfaction level; iii) solve problems and avoid or respond to negative comments; iv) analyze competitive strategies; v) monitor the company's image and reputation; vi) obtain information/ suggestions from customers potentially leading to innovation.

Limitations | This presentation aims to draw attention to innovation in tourism, still requiring further research. There are some accommodation providers who use innovative and proactive practices, including online presence and initiatives, while others have limited awareness of the role of the internet (Hills & Cairncross, 2011). Therefore, it should be interesting to understand the reasons why different tourism sectors may be innovative, while others are not, which could not be verified through this literature review and would require empirical research. Moreover, it would be important to empirically test if customers perceive and recognize improvements through UGC induced innovation, as well as if they are willing to pay for it. So, as a recent phenomenon of research, there are still many pathways to explore, research and studies to carry out, for a better, empirically validated, understanding of the role of innovation in tourism in general, and the potential of social networks and UGC in this context, in particular.

Conclusions | The purpose of this review was to draw attention to the online environment, especially to social networks, as an important source of information about customer's needs, expectations and satisfaction, potentially leading to innovation. Nowadays companies are facing a global increasingly demanding and highly competitive environment, and the technological development allows and requires more effective and efficient business communication. Increasingly, companies have realized that customers are their most important asset, and the relationship with them is seen as an opportunity that should be managed properly. Some comments, complaints, tips and ideas expressed, can be very creative and innovative. Since many of these networks and the online reviews they publish are for travelers by travelers, they can be seen as important inspiring sources for those tourism entrepreneurs who want to innovate, being closest to their clients. There is no doubt that the development of information technologies helps travelers to improve their overall experience, and have provided travel marketers with new ways to assess their customer-perceived service quality and satisfaction at reduced costs. In tourism research, market demand is considered the single most important driving force (Hall & Williams, 2008) and customization is seen as an important source of inspiration and a crucial element in contemporary innovativeness in tourism (Stamboulis & Skayannis, 2003).

This is of paramount importance nowadays, because tourists are increasingly informed and demanding, searching for unique experiences. Businesses such as travel agencies, airline companies, hotels and restaurants, as well as destination attractions and guiding services, all are important and contribute to tourist satisfaction at the destination. Thus, any significant failure in any of these services will impact on the final experience outcome, i.e. customer satisfaction and compensation when expectations are not matched.

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