Practices of Tourism Innovation in Tourism Industry: The Case Study of Egypt

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Abstract

This research aims to study the importance of tourism innovation in tourism destinations which include product innovation, process innovation, organizational innovation, marketing innovation, technology innovation, green innovation, and social innovation. The research focuses on the case of Egypt and to what extent the Egyptian tourist destination adopts tourism innovation practices?. To achieve the aim of the study, the research relied on the qualitative approach (the case study). The process of tourism innovation in the Egyptian tourist destination identified by describing and analyzing innovative practices in the Egyptian tourism industry through reviewing reports and studies that dealt with tourism innovation practices in Egypt. The results showed that many innovative practices include all aspects of tourism innovation that can contribute to supporting Egypt's competitiveness as a tourist destination.

Keywords: Innovation, Tourism industry, Case study, Egypt.

1. Introduction

Tourism innovation is one of the priority subjects in most tourist destinations. Therefore, tourism innovation must be considered as one of the important processes of any tourist destination (Mothe and Thi, 2010; Cosma et al., 2014). Tourism policymakers and researchers have focused on the innovation concept to reinforce tourism productivity (Razavindravelo, 2017). Innovation is an important factor in destinations success which struggling to be different from other competitors and competing to cope with any social and economic change of tourist demand (Weiermair, 2005) because the lifestyle is quickly changing and therefore innovations development must be adapted to it (Silver et al., 2016). The study of innovation in the field of tourism is still in its beginning. Although, the concept of innovation in the tourism sector appear and receive the interest of the researchers since 1990, a few prominent studies dealt clearly with this concept theoretically or practically in Egypt (Carvalho and Costs, 2011; Pivecic and Pranicevic, 2012; Divisekera and Nguyen, 2018). Accordingly, the importance of this research is to shed light on tourism innovation and its importance in supporting tourist destinations to reduce the theoretical gap in this regard. The research also contributes to focusing on the case of Egypt, in which tourism innovation has not been sufficiently studied.

2. Literature Review

2.1 Definitions of Tourism Innovation

As listed in the Oxford Dictionary of Business and Management, innovation can be defined in general as any new way of producing, designing, or marketing services and goods to give the innovator an advantage over competitors (Law, 2006).
Schumpeter who known as the father of the innovation theory stated that innovation widely is a means to gather forces and material within our goal through producing the same thing by a new method or producing new other things. He has a great role in understanding the concept of innovation, which has been the basis for this concept since the beginning of the twentieth (Schumpeter, 1961; Sorensen, 2004; Hana, 2013).

Innovation can be also a process of introducing new value prepared first to consumers, as the major driver of competitiveness, but it can also include stakeholders as beneficiaries, like the organization, shareholders, external partners,...etc. (OECD, 2006). In this context, Nauwankas (2013) showed that innovation aims to make a positive change to make things better, so innovation is offering a new product, service, or process to customers. From another point of view, Ulwick (2005) identified that innovation is the process of finding solutions to develop the product or provide a new service in the market. Boycheva (2017) also clarified that innovation is the investment in knowledge development to provide new goods and services to consumers.

The definition of tourism innovation began by defining services innovation as tourism is originally a service provided to tourists. Khan and Khan (2009) showed that service innovation is adding a range of new ideas, procedures, processes, and products to the offered services to achieve the benefits and meet the wishes of individuals, organizations, or destinations, considering the characteristics of those services and customer satisfaction. Innovation in services also can be a multi-stage process where tourism organizations or destinations turn ideas into new or improved services to differentiate themselves from competitors in the market (Kjos, 2013). While Skålén et al. (2014: p.137) defined service innovation as “The creation of new value propositions by means of developing existing or creating new practices and/or resources, or by means of integrating practices and resources in new ways”. This definition is considered closest to the subject of the study.

Based on the above, there is no specific definition of tourism innovation but Booyens and Rogers (2016) saw that the Schumpeter concept of innovation is comprehensive enough to include tourism innovation. Deegan (2012) stated that tourism innovation has the same general characteristics as any other economic or service sector. Therefore, Sipe and Testa (2009) proposed that tourism innovation is the ability to introduce new or improved services in the tourist destination or tourist market in general. Moreover, WTO (2019) defined tourism innovation as the introducing of an improved or new component that aims at achieving intangible and tangible benefits for tourism and community stakeholders improving the value of the experience and the basic competencies of the tourism industry thereby enhancing the competitiveness of tourism and/or sustainability. Tourism innovation may cover areas like tourism products, tourism destinations, technology, operations institutions, business models, architecture, skills, tools, services and/or practices for marketing, management, communications, operation, pricing, and quality assurance (WTO, 2019).
In this regard, tourism innovation can be defined as a set of new and creative operations aimed at developing the tourist destination and improving the services provided to the tourists in order to satisfy their desires and needs.

2.2 Importance of Tourism Innovation

Tourism innovation is very beneficial to the economy, local community, tourists and destination levels as shown in figure (1) as the following:

2.2.1 The economy level

On the economic level, innovation in tourism is an integral part of the economic performance and competitiveness of both tourism organizations and destinations (Hoarau & Kline, 2014; Boycheva, 2017). Innovations greatly affect economic performance, support entrepreneurship, and increase the effectiveness of state role (Hall & Williams, 2008). In addition, tourism innovations contribute to increased efficiency and productivity of tourist companies and organizations and facilitate connectivity among them (Hjalager, 2013).

2.2.2 The Local community level

Tourism innovation contributes to maintaining the cohesion of the tourism industry and its association with the community. Tourism development can't be imagined in any tourist destination without considering the local community (Korres, 2008). Furthermore, Tourism innovation improves productivity and thus contributes to the high level of income for the local community and their welfare (Boycheva, 2017).

2.2.3 The Tourists level

Tourism innovation is one of the most important factors that contribute to meet the needs and desires of tourists, provide tourists comfort, increase tourism experience value, and enhance their loyalty to the tourist destination (Hall & Williams, 2008; Hjalager, 2013; Souza et al. 2017). Tourism innovation influences tourist decision making or post-visit evaluations. It also increases the ability of tourists to collect benefits by helping them to exploit goods and services that satisfy their desires (Hjalager, 2010; Hjalager, 2013).

Figure (1): Tourism Innovation Importance
2.2.4 The Destination level

Innovation is considered also an important factor for the competitiveness of destinations and performing the main role in destination management (Carvalho and Costs, 2011; Souza et al. 2017). Tourism innovation has influences on the production and cooperation of knowledge, resources, sustainable management, the global destination connectivity in governance, marketing, and management of destinations and organizations working in tourism activity (Hall and Williams, 2008). Tourism innovation in destinations is also among the factors that affect sustainable development and new destinations formation (Hjalager, 2013; Maráková and Medveďová, 2016).

2.3 Tourism Innovation stages

The innovative use of production elements and customer attitudes is a prerequisite for providing innovative services and products to tourists, so managers and researchers should aim to implement and develop an effective innovation process within the destination (Maráková and Medveďová, 2016). This innovation process in tourism destination includes five phases can be summarized as follows (Boycheva, 2017):

a. Idea Generation:
Ideas are collected from tourists, destination stakeholders, market research, intermediaries, and competitors.

b. Screening:
The strengths and weaknesses of the innovation application are identified and tested its compatibility with objectives, target market needs, destination brand, and sustainability.

c. Idea Evaluation:
Perform concept testing; observe customer response, estimate costs, profits, cash flows, and revenues.

d. Development:
The service model is developed and examined in the marketing mix.

e. Commercialization:
Tourism innovation is performed in the target markets.

2.4 Tourism innovation types

The types of innovation are extremely complex and diverse (Edquist, 2001), and there are many types of innovation in general and tourism innovation in particular. Depending on Schumpeter’s definition, many researchers have agreed that tourism innovation can be divided into four main types product innovation, process innovation, organizational innovation, and marketing innovation (Decelle, 2004; OECD, 2005; Booyens and Rogerson, 2016). Although there is an agreement among some researchers on the existence of four main types of tourism innovation, there is a wide range of research and studies like Caulier-Grice et al. (2012), Janiszek (2018) and Carayannis et al. (2015) that dealt with other types of innovation in the field of tourism such as green innovation, technological innovation, and social innovation. Therefore, it is possible to say that there are seven types of tourism innovation as shown in figure (2).
2.4.1 Product innovation
Product or service innovation means providing new tourist goods and services or improving existing tourist goods and services considering goods and services characteristics and purposes for which they will be improved such as satisfying tourists' desires and needs (OECD, 2005; Hjalager, 2010).

2.4.2 Process innovation
Innovation in processes means introducing new or improved processes in tourism such as developing new ways of distributing and supporting tourism products in order to improve efficiency and productivity. Technological investments are one of the most important examples of this type of innovation (Decelle, 2004; Hjalager, 2013).

2.4.3 Organizational innovation
Organizational innovation means the implementation of a set of new trends on the organizational and administrative aspects related to the tourism process to improve its efficiency (OECD, 2005). Examples of this type of innovation include introducing new ways of organizing business processes, empowering employees, improving workplace satisfaction, and developing new ways to retain workers in the tourism sector (Hjalager, 2010). For example, Al-Romeedy (2019) stated that training employees is important to give them information about protecting the environments in locations which tourists are traveling to.

2.4.4 Marketing innovation
Marketing innovation is the introduction of new changes to the tourist product design and the application of new promotional policies in order to increase attractiveness to tourism products or enter new tourist markets (Hjalager, 2010; Booyens and Rogerson, 2016).

![Figure (2): Types of innovation Tourism](image-url)
2.4.5 Technological innovation

Carayannis et al. (2015, p.8) defined technological innovation as “a new technology that creates new products, hence new opportunities for the industry”, so Diaconu (2011) stated that technological innovation should be only in products or processes. In the context of tourism, technological innovation helps in introducing new services, achieving sustainable tourism development, and promoting e-tourism (Korres, 2008; Alisha and Andrew, 2014; Baggio, 2014).

2.4.6 Green Innovation

Green innovation is defined as the innovation that minimizes the impact of tourism activities on the environment or optimizes the use of tourism resources by providing radical improvements beyond traditional types of innovation (OECD, 2013). Janiszek (2018) believed that green innovation contributes to sustainable local development through community utilization of waste management, water management, and renewable energy, which supports the demand for environmentally friendly services and ultimately contributes to local, regional, and global sustainability.

2.4.7 Social innovation

Caulier-Grice et al. (2012) defined social innovations as new solutions (services, markets, models, processes, ...etc.) that meet the social needs (more than existing ones) and drive to improved or new relationships and capabilities and good use of all resources, so social innovations are good for enhancing society’s capacity to act.

Recently, the importance of social innovation in tourism represented in reducing the social impacts of tourism on society and environment, achieving social development and achieving the social dimension of sustainable tourism (Algere and Berbegal-Mirabent, 2016; Alkier et al. 2017; Voll and Mosedale, 2017; Polese et al. 2018).

3. Methodology

The research methodology was based on qualitative research. Qualitative research is associated with the interpretation, description, and understanding of social phenomena for analysis to answer the research question, especially if those phenomena cannot be expressed quantitatively (Hancock et al., 2007). The case study was used as a qualitative research type (Mohajan, 2018), as it is widely used in tourism studies (Beeton, 2005), and is used to understand, describe and analyze a specific situation or process (De Urioste-Stone et al., 2018). The research aims to identify the process of tourism innovation in the Egyptian tourist destination by describing and analyzing innovative practices in the tourism industry in Egypt. This goal can be achieved by answering the following question: “To what extent does the Egyptian tourist destination adopt the various types of tourism innovation practices?”

To answer the research question, the data was collected by reviewing reports and studies that dealt with tourism innovation practices in Egypt.
4. Analysis and Discussion

There are many types of innovative practices in the Egyptian tourist destination that contribute significantly to achieving a competitive advantage for Egypt and then attracting tourists with their different classes and categories to visit Egypt. As Cherrett (2011) mentioned, tourism innovation practices are mostly not related to technology. Therefore, there are product innovation, process innovation, organizational innovation, marketing innovation, social innovation, and green innovation. This part of the research focuses on analyzing and discussing these types of practices in Egypt.

4.1 Practices of Product and Process Innovation

In tourism, Dincer et al. (2017) argued that the tourism services and products are complex, so tourism services can be part of product innovation and also part of the process innovation at the same time. The innovation of tourism products in Egypt based on adding new and varied tourism patterns and activities. In addition to the traditional tourism patterns in Egypt, such as cultural tourism, religious tourism, and historical tourism; new tourist patterns and activities have been added such as safari tourism, sand skiing, golf diving, yachting, conferences, and exhibitions (European Travel Commission, 2014). Albu (2015) stated that product innovation and process innovation in Egypt also included developing the quality of tourism products and services to satisfy tourists’ desires. This shows that Egypt depends on the practices of product innovation and process innovation because according to Hjalager (2010) product innovation includes the provision of new tourism products and services, as well as according to Hjalager (2013) who believed that process innovation includes providing tourism products in a new way in order to satisfy the desires of tourists.

4.2 Practices of Organizational Innovation

The Egyptian Ministry of Tourism contributes to creating an organizational and administrative environment in the tourism sector through innovative training programs such as the youth training program in five-star hotel chains, which aims to train Egyptian youth to work in hotels, provide job opportunities, and reduce unemployment (Abdelaty and Ibrahim, 2017). This consistent with Albu (2015) who stated that innovation in tourism in Egypt includes training staff of hotels and restaurants to facilitate the communication between tourists and staff.

4.3 Practices of Marketing Innovation

The Egyptian Ministry of Tourism seeks to innovate various ways to build the brand to market Egypt as a tourist destination. In 2009, marketing campaigns titled "Egypt, where it all begins" were launched. These days, Egypt's marketing plans have relied on marketing campaigns through social media such as Facebook and YouTube. A YouTube channel called "Experience Egypt" was launched at the link: http://www.youtube.com/Egypt, through which videos are broadcast to promote Egypt as a promising tourist destination through the use of various campaigns such as "People To People" (European Travel Commission, 2014).
This is consistent with the study of Booyens and Rogerson (2016) that marketing innovation includes the application of new promotional policies and this is evident in the case of Egypt from its reliance on one of the recent trends in marketing such as social media.

4.4 Practices of Technological Innovation

The Ministry of Tourism has given priority to technological innovation and digitization by encouraging innovative technological and digital solutions to enhance the competitiveness of the Egyptian tourist destination (OECD, 2020). Nowadays, The Ministry of Tourism and Antiquities and Samsung Electronics in Egypt cooperate to updating tourists’ services in archaeological sites and museums through smart screening showing educational, promotional, and archaeological contents to visitors (Ministry of Tourism and Antiquities, 2020a). The ministry of tourism and Antiquities launched an online campaign on its websites and social media platforms under title “Experience Egypt from home” in April 2020. The Ministry posts everyday virtual Tours and guided tours inside some Egypt’s museums and archaeological sites. The ministry also shed light on a number of Islamic monuments through virtual and guided tours during the month of Ramadan. Those tours where produced in cooperation with scientific institutions and a number of media agencies namely Media Hub, MO4 NAV 3D and virtual Middle East, in addition to the ministry of communications and the ministry of Agriculture. (Ministry of Tourism and Antiquities, 2020b). The application of these new technologies in the tourism sector confirms the existence of practices in Egypt in the field of technological innovation, as explained by Carayannis et al. (2015) that technological innovation includes the application of new technologies.

4.5 Practices of Green Innovation

Green innovation in the tourist destination is concerned with innovative practices that take into account the preservation of the environment. In the case of Egypt, there is a set of innovative green practices from both the government and the private sector and consistent with Janiszek (2018) who believed that green innovation practices include local development, waste management, water management, and renewable energy.

On the government level, the Ministry of Tourism seeks to build a green brand for Egypt as a destination for responsible tourism by meeting the demand for green products and services. Therefore the Ministry of Tourism has launched the Green Globe program since 2014 in cooperation with the Egyptian Hotels Association. This program aimed to encourage hotels in Egypt to commit to environmental and social standards and support economic development, in addition to mitigating the negative effects of tourism and hotel projects on the environment and preserving biological diversity (OECD, 2020). On the private sector level, Egypt has many eco-lodges that contribute to preserving the environment through a set of innovative green practices. An example of this was Basata Eco Lodge. Basata is the first eco-resort built in Egypt in 1986 on one of the five most beautiful beaches in the world. It is located in Nuweiba, South Sinai. The design of the Eco Lodge was based on desert environment architecture and avoided the use of any materials that could pollute the
environment to reduce carbon emissions to the minimum possible, so mud, natural stones, straw, bamboo, and reeds were used in the construction process (Ragheb, 2015).

Basata layout was based on the most efficient use of land and the minimization of the ecological footprint. The resort planning contributes to preserving the plants and animals in the area by avoiding the industrial landscape or planting grass as a cover for the land, which requires large quantities of water for irrigation, as well as fertilizers polluting the environment. The resort also does not allow cars to enter the resort area to reduce carbon emissions, as walking and cycling are the primary means of transportation (Aziz and Szivas, 2011). The resort obtains energy from solar panels to produce electricity and solar heaters to heat the water, as well as the resort depends on the use of energy-saving bulbs (Dabaieh et al., 2018). Water management is efficiently managed at Basata through the use of water-saving taps that reduce guest consumption from 500 liters per day in traditional hotels to 70 liters per day in Basata (Aziz and Szivas, 2011). As for the solid waste, it is transferred to the solid waste station in Nuweiba in preparation for sending it to the waste recycling factories in Cairo for recycling (Dabaieh et al., 2018).

4.6 Practices of Social Innovation

One of the innovative social practices in Egypt is that the Ministry of Tourism in 2019 launched a program entitled gender equality seal program in cooperation with the National Council for Women and the United Nations, intending to empower women in the tourism sector (OECD, 2020). On the other side, one of the aims of the Basata eco-lodge is to create sustainable income. The resort provides employment opportunities for Bedouin locals to work. There is also an education center for Bedouin children after school (Dabaieh et al., 2018).

Empowering women in tourism work and building their capabilities through the equality seal program, as well as training and education of children in a Basata resort and providing job opportunities to society represent innovative solutions to integrate society in tourism development and enhance their capabilities to work. This is consistent with the study of Caulier-Grice et al. (2012) that social innovation includes improving capabilities and meeting the needs of society through new solutions.

5. Conclusion

This study aimed to explore the importance of tourism innovation in tourist destinations and its different types. It showed that tourism innovation is not limited to technological innovation only, but also has other types represented in product innovation, process innovation, organizational innovation, marketing innovation, green innovation, social innovation. The importance of tourism innovation varied and included economic, social, and tourist and destination levels. The importance of tourism innovation economically is to improve the competitiveness of the tourist destination. In social terms, tourism innovation contributes to improving income and achieving the welfare of society.
For tourists, tourism innovation contributes to the satisfaction of the tourist and improves the experience. In terms of tourist destinations, tourism innovation contributes to achieving sustainable development.

This study provided a case study on tourism innovation practices in Egypt and study concluded that Egypt has a set of innovative practices in the tourism industry. These innovative practices included providing new tourism services and products to satisfy the desire of tourists, as well as training and qualifying young people to work through innovative training programs.

Egypt has also developed innovative plans for tourism marketing by relying on technology and social media for tourism marketing. Egypt has not neglected the social and environmental aspects of tourism innovation. Tourism innovation practices also included new solutions to conserve the environment and involve society in tourism development. It is clear from this study that the majority of the innovative practices reviewed were from the government sector. The role of the private sector is evident only in green innovation practices. Accordingly, the research recommends the necessity of involving the private sector in all aspects of tourism innovation and maximizing the partnership between the government sector and the private sector in this regard.

For further research, researchers can study each type of tourism innovation separately. Also, the impact of tourism innovation on some variables can be studied, such as the destination's competitiveness and sustainable tourism.

References


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