

INNOVATIVE ACTIVITIES OF TRAVEL COMPANIES

***Abstract:** The development of tourism was done predominantly through product innovation, process innovation, marketing and organizational innovations, new practices of human resources, new approaches to the tourist.*

Following inductive and deductive approach on innovative activities in tourism we concluded that regional, local and tourism companies in Romania must be oriented to the innovative products and services, which will attract new tourists and they will improve the economic performance of enterprises.

***Keywords:** innovation, innovation activities, tourism.*

JEL: O310, L83, M130.

Introduction

The innovation phenomenon manifests itself differently depending on the type of activity of the companies or the region within the European Union where they are located. (ADR Vest 2009). In recent years, innovation in the Central and Eastern European countries was modest compared to the developed EU countries and this trend continues to be maintained (CE 2014).

Innovation in a region cannot be reduced only to the introduction of novelty because the access to novelty is favored by political, social and cultural aspects, at the regional level. Thus, the regions must provide an environment that has the most efficient structure, institutions and policies that encourage innovation among the economic operators (Stroie, Bala and Ciocănel 2013). This means that businesses depend largely on the environment in which they operate. Certain regions support innovation more than others creating an environment that facilitates the innovation of the economic operators.

Through a process of investigation and critical interpretation of certain studies developed at a national and international level, and of domestic and international databases, we have analyzed the innovation in tourism. We chose the analysis of the innovation in tourism because the activity sector is highly tendered due to its economic implications, spectacular developments but also its visual and experiential impact (Gabor and Oltean 2015).

¹ Main Researcher III, Department for Interdisciplinary Research in Social Sciences and Humanities, "Al. I. Cuza" University of Iași.

Innovation in travel companies

In a study² conducted by the National Council of Small and Medium Enterprises in Romania (CNIPMMR) concerning the Romanian SMEs (Nicolescu, Isaic Maniu 2014 *et al.*), the distribution of SMEs that were part of the investigation, according to activity sectors in 2013 was as follows: trade (34.35%), construction (4.27%), industry (20.08%), services (36.25%), transport (2.74%), tourism (2.29%). We note that the share of SMEs that operate in the tourism sector is 2.29% – the lowest share of all enterprises that were part of the study. Most SMEs operate in the field of services.

Table 1

Distribution of SMEs according to activity sectors in 2013

No.	Activity sector	Share
1	Trade	34.35%
2	Construction	4.27%
3	Industry	20.08%
4	Services	36.27%
5	Transport	2.74%
6	Tourism	2.29%

Source: CNIPMMR, The White Book of SMEs, 2014.

The innovative activities undertaken by the surveyed companies relate to new products, new technologies, new management and marketing approaches, the modernization of the computerization system and the human resources training.

Table 2

Innovative activities of SMEs

No.	Innovative activities	2012	2013
1	New products	37.21%	40.22%
2	New technologies	16.45%	22.94%
3	New management and marketing approaches	19.51%	22.37%
4	The modernization of the computerization system	7.60%	4.97%
5	Human resources training	4.75%	4.97%
6	N/A	37.65%	26.39%

Source: CNIPMMR, The White Book of SMEs, 2014.

² The National Council of Private Small and Medium Enterprises in Romania conducted a field research based upon a questionnaire applied to a number of 1569 SMEs from all industries. The sample is considered representative for the Romanian SMEs. This investigation has aimed at achieving the White Book of SMEs for the year 2014 and contains the latest analysis and forecasts on the SME sector in Romania.

On the first place there is the introduction of new products,³ with 40.22% increase compared to the year 2012 when their share was 37.21%. The new technologies are next, alongside the new management and marketing approaches.

According to the size of the enterprises, most product and processes innovations were implemented in middle-size enterprises while the marketing and management innovations could be found mainly in micro enterprises. The middle size enterprises were concerned about the modernization of the computerization system and training of human resources.

Table 3

Grouping innovative activities in SMEs by the enterprise sizes

No.	Innovative activities	Enterprise sizes		
		micro	small	middle size
1	New products	38.28%	45.56%	55.07%
2	New technologies	19.10%	34.75%	47.83%
3	New management and marketing approaches	23.21%	20.85%	13.04%
4	Modernization of computerization system	4.43%	6.56%	8.70%
5	Human resource training	4.27%	7.34%	8.70%
6	N/A	28.77%	19.31%	10.14%

Source: CNIPMMR, The White Book of SMEs, 2014.

According to the activity sectors the most numerous product innovations are found in the trade sector (48.42%), process innovations in the construction sector (28.36%), marketing and organizational innovations in the tourism sector (47.22%); in the industry sector the most numerous SMEs have focused on the modernization of the computerization system and the tourism sector was most concerned in the human resources training.

Table 4

Grouping innovative activities in SMEs per sector of activity

No.	Innovative activities	Activity sectors					
		Industry	Construction	Trade	Tourism	Transport	Services
1	New products	40.32%	37.31%	48.42%	27.78%	23.25%	34.80%
2	New technologies	24.76%	28.36%	20.59%	13.89%	13.95%	24.78%
3	New management and marketing approaches	17.14%	22.39%	21.34%	47.22%	18.50%	24.96%
4	Modernizing the computerization system	7.62%	4.48%	2.78%	2.78%	2.33%	5.98%
5	Human resources training	6.67%	4.48%	2.97%	8.33%	6.98%	5.62%
6	N/A	25.40%	29.85%	27.27%	22.22%	46.51%	24.43%

Source: CNIPMMR, The White Book of SMEs, 2014.

³ The study does not specify whether the products are new to the company or to the market.

We note that in the tourism sector the most numerous innovations were organizational and marketing in nature (47.22%), followed by the product innovations (27.78%) and the process innovations (13.89%). A percentage of 8.33% of the SMEs in the tourism sector have implemented new methods of training human resources and the modernization of the computerization system is found in 2.78% of the SMEs.

In the tourism sector there is a percentage of 22.22% of the SMEs where no innovative activity was carried out.

Table 5

The share of the income from innovative products per activity sectors of SMEs

No.	The share of income from innovative products	Activity sectors					
		Industry	Construction	Trade	Tourism	Transport	Services
1	0%	42.49%	38.81%	39.33%	41.67%	45.51%	34.34%
2	1–5%	24.76%	16.42%	19.85%	11.11%	18.60%	17.93%
3	6–10%	8.89%	17.91%	12.43%	16.67%	4.65%	9.67%
4	11–20%	12.06%	17.91%	16.88%	25.00%	13.95%	17.22%
5	21–50%	8.57%	5.97%	7.05%	0.00%	6.98%	6.85%
6	51–75%	2.22%	1.49%	3.53%	2.78%	4.65%	2.64%
7	Peste 75%	0.00%	1.49%	0.93%	2.78%	4.65%	0.35

Source: CNIPMMR, The White Book of SMEs, 2014.

If according to the numerical share of the SMEs which have implemented new products we can notice some progress, things are different when it comes to the share of revenues obtained from innovative products per SMEs's activity sectors.

If the innovative products were implemented in SMEs in percentages ranging from 23.25–48.42%, we can notice that between 35–45% of the SMEs had zero results from the product innovations. Only 4.65% of the SMEs operating in the transport branch have reported a share over 75% of revenues from innovative products.

In the domain of *tourism* if 27.78% of the SMEs stated they have implemented in their companies product innovations, 41.67% of them have earned zero income from innovative activities 11.11% of them have earned income between 1–5%, a percentage of 16.67% of SMEs have earned income between 6–10%. The most numerous travel companies (25%) have earned income from product innovations between 11–20% and no company earned income between 21–50%. An equal percentage of 2.78% of SMEs have earned income either between 51–75%, or above 75%.

These results are not encouraging, therefore the local and regional authorities and the travel companies should be oriented towards innovative and experiential

products and services which will attract new tourists and will improve the economic performances of enterprises.

To achieve this, it is absolutely necessary: on the one hand to redefine the current offers/products/services of Romanian tourism areas/companies and to transform them according to the requirements of the tourism market; on the other hand, the implementation of innovative and experiential products and services to attract new tourists (Unione Appennino e Verde 2013).

Remodeling existing offers

Nature and environment

The “nature” element refers to anything that the tourist area can provide: excursions, visits, active holidays that bring benefits to tourists (physical, psychological and spiritual benefits). In order to value the natural environment, the tourism companies should consider the following:

- correctly addressing the natural environment;
- to guarantee that tourists visit beautiful places with relaxing landscapes;
- to ensure tourists that they can access a mix of services: from the opportunity to practice sports, to enjoy cultural visits to child-specific travel services;
- to ensure tourists experience genuine local traditions that allow them to discover historical centers providing a strong suggestive and emotional experience;
- the accommodation structures should provide a series of innovative services: from e-biking to photography courses; from backcountry hiking to wolf watching, etc.

Active holidays

The active holidays means more than a mere opportunity provided by a particular tourism area, a series of sports that can attract tourists by geographical areas: from cycling to trekking, from mountain bike to hydro speed, from alpinism, paragliding to cannoning.

The tourism product development includes:

- creating conditions to pursue a sporting activity (e.g., the presence/ construction of bike lanes);
- travel service management, the collaboration between all factors that can lead to the implementation of the tourism service: sports associations, local and county administrations, specialized tour operators, NPOs, by organizing events and competitions and so on.

Valuing local and regional enogastronomy

The quality of the Romanian wine and local traditional culinary products is well known. Therefore the innovative aspect must be *experiential*. A novelty element for valuing the oenology and the local and regional gastronomy is the restructuring of the offer: from the consumption of genuine traditional products to cooking classes lead by chefs, to collecting mushrooms and berries, from visiting companies and tasting products and wines to attending enogastronomic events. This will generate unique experiences to each tourist.

Culture value

Culture means the history, tradition and identity of a people and the cultural services should be experiential. Tourists should experience new historical and cultural locations. The local and regional cultural value and its transformation into an innovative tourism product does not require large investments but rather involves the valuing of that specific areas so that the experiences provided to tourists by visiting monasteries, historical locations and their interactions with the locals are unique.

Local handicraft items

The local handicraft items are those sophisticated and unique factors that are related to the traditions of an area and which appeal highly to the tourists who are in search of memorable experiences (discovering ancient crafts and related products).

In this context the important element is related to the opportunity to live experience through the direct contact with the “artisan tradition bearers” which means not only visiting handicraft workshops for production or marketing but also living peculiar experiences by listening to historical stories specific to that site and the making of artisan products (under direct observation/monitoring of craftsmen). This formula is of utmost tourist attraction and can be filled with gourmet and cultural items specific to that area.

SPA tourist services

It refers to a mix between the SPA services of a tourism company and in addition the experiences a specific tourism area has to offer. In other words, the tourist should find in those services the things he cannot experience in his daily life: a different natural scenery, unique landscapes, and so on.

Experiential tourism services

The most important industry that generates great experiences is the tourism industry. Tourists today are seeking meaningful and memorable experiences. An experience created by a unique event increases the chance to turn tourists into loyal tourists that wish to repeat experiences (Niculescu 2014).

Joseph de Pine and James H. Gilmore (1999) in the work *Experience Economy* argue that people are more willing to spend their money not on consumer goods but on services that enable them to enrich their memorable experiences.

The concept of “waiting for experiences” (Niculescu 2010) has a high affinity to what the entertainment and leisure industry offers to its clients. In theme parks workers are called “actors”, the visitors are called “guests” and the park is the “scene” for visitors to live their experiences. The travel companies should focus strongly on improving the experience of visitors and tourists and value the tourism potential in new ways which involve the visitors and tourists themselves.

The tourism and leisure sector is an important part of the “experience economy”. Whatever the motivation for a holiday or a family day, everyone is looking for good, unforgettable experiences.

Conclusions

The analysis indicated that Romania is a modest innovator, as shown by the studies and documents prepared by the European Commission.

In order to promote coherent innovation policies, the *National Strategy for Sustainable Development Horizons 2013-2020-2030* provides a series of measures which will reduce current gaps compared to the EU average in the field of SMEs innovation, namely:

- introducing a system of cross-coordination of innovation at national level;
- creating a portal for businesses, especially SMEs;
- launching partially subsidized programs for training and management in the sector of innovation and the development of technology transfer units (from patent to product, service or process) within schools and research units as a prerequisite for the formation of scientific and innovation clusters.

The investigation of the tourism sector and tourism companies highlights a discrepancy between implemented innovative activities and the performances of these activities.

To revive the tourism sector the local and regional authorities alongside tourism companies should be oriented towards innovative, experiential products and services that will attract new tourists and will lead to an improvement of the economic performance of enterprises.

References

1. Agenția de Dezvoltare Regională Vest România. 2009. *Strategia regională de inovare a regiunii Vest România 2009–2013*, http://www.adrvest.ro/attach_files/RIS_2009_2013.pdf.
2. Comisia Europeană, 2014, *Tabloul de bord al Uniunii inovării. Tabloul de bord privind performanța inițiativei „O Uniune a inovării” în materie de cercetare și inovare* http://ec.europa.eu/enterprise/policies/innovation/files/ius/ius-2014-summary_ro.pdf.
3. Gabor, Manuela Rozalia, Flavia Dana Oltean. 2012. *Produse inovative în turismul național și internațional*. București: Editura C.H. Beck.
4. Guvernul României, Ministerul Mediului și Schimbărilor Climatice. 2012. *Strategia Națională pentru Dezvoltare Durabilă a României Orizonturi 2013-2020-2030* <http://www.mmediu.ro/beta/domenii/dezvoltare-durabila/strategia-nationala-a-romaniei-2013-2020-2030/>.
5. Nicolescu, Ovidiu, Alexandru Iasic Maniu. 2014. *Libro Bianco delle PMI*. București: Casa Editrice Sigma.
6. Niculescu, George. 2010. „Noile abordări ale economiei atenției și economiei experienței în managementul turismului cultural”, *Analele Universității „Constantin Brâncuși” din Târgu Jiu, Seria Economie*. 4: 152–159.
7. Niculescu, George. 2014. „Economia experienței în turism și industriile creative” <http://www.turismulresponsabil.ro/wp-content/uploads/2014/04/12>.
8. Nicolescu, Ovidiu, Alexandru Iasic Maniu. 2014. *Libro Bianco delle PMI*. București: Casa Editrice Sigma.
9. Pine, Joseph, James H. Gilmore. 2011. *The Experience Economy*. Harvard Business Press.
10. Stroie, Octavian, Gheorghe Bala, Ciocănel Adrian Bogdan Ciocănel. 2013. „Modele de analiză a inovării în contextul politicilor de dezvoltare regională” *Dezvoltarea durabilă în condiții de instabilitate economică*. București: Editura Cibernetică MC: (2) 254–262.
11. Unione Appennino e Verde. 2013. *Panorama turistico – Osservatorio dell’Appennino dell’Emilia Romagna-Prodotto turistico* <http://www.appenninoeverde.it/images/PDF/osservatorio/appennino%202013%20-%20prodotti%20turistici%20innovativi.pdf>.