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## **INNOVATION IN TOURISM, ITS ROLE IN STRENGTHENING THE COMPETITIVE ADVANTAGE OF THE TOURISM PRODUCT**

### **Abstract**

Due to the growing interest in tourism, the modern tourist is as knowledgeable as possible in selecting a tourist product. Therefore, it is necessary to pay more attention to the selection of innovative tourism resources when forming the tourism product. Therefore, the current paper aims to explore the role of innovation as a tool to support the competitive advantage of a tourism product. The paper discusses the advantage of innovative methods during the formation of cultural and ecotourism resources. The results of the study show that innovation is a powerful tool that can increase the competitive advantage of a tourism product. This will have a positive impact on the competitive position of the country. Accordingly, the creation of innovative tourism products and activities will help promote the tourism sector and increase its positive impact.

**Key words:** tourism innovation, competitive advantage, tourism product, creativity.

The relevance of the research topic is cultural and ecotourism innovation and its role in strengthening the competitive advantage of the tourism product.

As it is known, tourism in the world is growing at a fast pace, and if the required level of tourism development is not reached, we may get undesirable results. The increase in the number of tourists is accompanied by the quantitative and qualitative growth and development of the tourist product, various tourism destinations and service quality capacities, as well as raising the motivation of tourists for new, qualitatively different tourist products and services. This can be achieved by introducing ecotourism and cultural tourism innovation and creativity in the process of tourism product formation and service.

The demand for tourism from the customer side creates the need to establish specialized and segmented markets. The modern tourist is more and more knowledgeable with the help of computer technology, so the needs are constantly changing, which are increasingly difficult to satisfy. Competition in tourism markets is intensifying and stakeholders are looking for new and innovative strategies to ensure the competitiveness of their tourism offer. In recent decades, the nature of the tourism industry, which is prone to constant and rapid transformations, the consumption patterns of the tourism product have shifted from the material spectacles of cultural tourism to the search for interesting experiences based on the immaterial and the creation of new innovative, creative ecotourism products.

In recent decades, cultural tourism has become a trend for global tourism, but in order to increase the demand and competitiveness of existing tourism resources, it is necessary to search for creative development ways.

Tourism organizers try their best to create new innovative, creative and attractive routes to attract and retain tourists.



Creativity means forming new visions, seeing familiar issues in a new way. Innovation means offering interesting news to society. For tourism, where the product before its consumption depends on the imagination, the role of innovation and creativity becomes clear. For example, the attractiveness of a tourist destination increases when a potential tourist sees a place that he has read about or seen in a movie, and this is the best form of indirect advertising. In addition, it becomes more important and interesting for tourists to get to know places that are still less known and new (Aladashvili, Tamarashvili, 2022: 42-47).

The goal of the innovative approach is to facilitate the creation of a new tourism product, gain full marketing support, attract investors and finally tourist flows.

In Georgia, it is necessary to establish new innovative approaches in various directions of tourism, especially in such demanding segments as eco and cultural tourism, as well as stimulate research and development and share the experience of advanced tourist countries. For example, the Italian Ministry of Cultural Heritage and Tourism has been active for several years. The ministry focused on different tourist destinations, 2016 was the year of national trails, 2017 was the year of eco villages and 2019 was the year of Italian food (Travel trends in 2019: boom in experiential tourism). Many Italian travel agencies offer experiential tours to tourists that include: cooking, wine tasting, ingredient foraging and exploring local markets. There are already opportunities to introduce such tours in Georgia (Aladashvili, Tamarashvili, 2022: 42-47).

The emergence of new markets, the fragmentation and division of large markets into small markets have maximized competition, so tour operators are increasingly trying to penetrate new markets, where they are mainly interested in new innovative tourist routes and creating a different tourist product or modifying an old tourist product.

Often, the introduction of a new, qualitatively different innovative product can become a risk factor for tourism companies. Innovation does not mean small, superficial changes to the tourism product. A successful innovation in the conditions of competition should be profitable for tourism companies, it should increase the value of the tourism product and the experience of the tourist. How valuable the tourist product is is measured by the tourist's perception, which in turn is related to the product's quality, price and their compatibility. A successful innovation can increase this value by improving quality or reducing price.

Therefore, by offering an innovative tourism product, especially when planning cultural and ecotourism routes, appropriate infrastructure should be created around the mentioned route, such as new IT technologies, national parks, cultural entertainment events and others.

There are four types of tourism product innovation:

1. **Standard innovation** - which is focused on the development of innovative technologies;
2. **Niche innovation (innovation to occupy a niche)** - Niche innovation in tourism is recognized in the travel and tourism industry, many companies try to differentiate their brand from others. Many large conglomerates such as Expedia, TUI and Booking Holdings have globalized the niche tourism industry through mergers, acquisitions and brand extensions;
3. **Revolutionary innovation** - Revolutionary innovation - supporting entrepreneurs to increase incomes and seize new business opportunities; New presentation of existing products and persuasion of companies to join new marketing alliances; supporting entrepreneurs to increase incomes and seize new business opportunities; New presentation of existing products and persuasion of companies to join new marketing alliances;
4. **Architectural innovation** – Architectural innovation - represents new knowledge based on science, provides for the creation of new events and attractions, which requires reorganization.

As we can see, innovation in tourism is an important issue in the creation and development of a new tourism product and combines a new idea, concept, method and practice. From a strategic point of view, the adoption of innovative policies in the tourism business helps to introduce new standards to respond to the needs and demands of international tourists. Therefore, innovation contributes to the development

of international tourism, the development and promotion of the tourism industry, as a result of which the destination will be developed, their promotion will take place, and this will lead to the attraction and maintenance of tourist flows.

The researchers presented a specific definition of tourism innovation, which is “the ability to differentiate a tourism product by increasing its competitiveness and socio-economic benefits”. Furthermore, according to the UNWTO, tourism innovation is defined as “the introduction of a new or improved component that can bring tangible and intangible benefits to tourism stakeholders and local communities, as well as enhancing the competitiveness and/or sustainability of tourism. Innovation in tourism can include potential areas such as tourism destinations, tourism products, technological processes, organizations and business models, skills, architecture, services, tools and/or management practices, marketing, communication, operations, quality assurance and pricing”. Based on the importance of innovation in tourism and the previous definitions, we can establish a comprehensive definition of tourism innovation. It can be defined as “a tool designed to provide a differentiated tourism product or service to cope with the changing characteristics of tourism demand, use new distribution channels and develop different marketing strategies and methods or different promotional tools to attract a wide range of tourism” (Dang, R. and Longhi, C, Aldbert, B., 2018:32)

Tourism product innovation aims to provide new tourism products and services, such as providing unique hotel services or adding distinctive attractions to a destination. Tourism innovation can also be a slight adjustment to tourism products and services that are already provided in terms of their characteristics and purpose. For example, creative tourism is an innovative tourism product characterized by modernity and authenticity. It is considered a part of modern tourism, which emerged as a result of a great change in tourist demand and is related to the development of urban niche tourism.

Most tourism products are created in a standard way, where the main product is presented in the form of cultural and ecotourism resources, in recent years there have been attempts to introduce creativity and innovation in product creation. This is related to the fact that in the past the tourist was ready to use a ready-made tourist product, but now he actively participates in the creation of the tourist product. This allows the consumer to be more creative in choosing a tourism product and, in turn, signals the supplier to create new qualitatively different tourism services. Creativity involves connecting familiar issues in new ways, while innovation involves offering new creations to society. For tourism, where the product, before its consumption, depends on the imagination, the role of innovation and creativity becomes clear.

For example, the attractiveness of a tourist destination increases when a potential tourist sees the place in a movie or reads about it in a book by a popular author. This may be seen as creative, indirect advertising of the tourist destination. The goal of the innovative approach is to create a new product, attract investments, provide perfect marketing support, introduce the latest technologies and more. In addition, innovation helps to reveal new opportunities in the market, which does not always involve working with new technologies. It is related to the formation of a new way of thinking. Applying an innovative approach to small and medium-sized enterprises is difficult, for them different authors consider different elements of innovation, however, we can distinguish the following characteristics of the enterprise: connections, technological development and environment. In small companies, where the number of employees is small and one employee covers several functions, while the chances are high that most of the company's employees do not have a sufficient level of qualification, the formation of innovative and creative thinking and approach is an even more difficult task.[1]

The term creative industries is becoming more popular than creative tourism. Creative tourism is closely related to creative industries. Creative industries are the main support for creative tourism. Creative tourism has added value to the product of creative industries. It is a powerful tool for competition in the world tourism market. The term creative ecotourism, as a new concept in tourism, has been widely discussed, as it offers tourists an innovative way to spend time in national parks and reserves, representing



activities in open areas:

- Beach and sea sports (surfing, diving, swimming)
- Boat, canoe
- Observation of flora and fauna
- Observation of landscapes
- photography
- Hiking
- Traveling by bicycle
- Geological tour
- Cultural performance art
- Involvement in local traditions/customs
- Involvement in conservation processes (coastal/sea, forest, plantation, farm)
- Involvement in local crafts, both traditional/folk art and contemporary art.

The authors of creative ecotourism are scientists Richards and Raymonds. According to them, creative tourism was “tourism that offers visitors the opportunity to develop their creative potential through active participation in learning experiences specific to the destination in which they are participating. Moreover, creative tourism involves not only “being there” but also reflexive interaction on the part of tourists. In creative tourism, the responsibility lies with the tourists themselves to actively learn about their environment and use this knowledge to develop their own skills (Dang, R. and Longhi, C., Aldbert, B., 2018:32).

Of course, creative ecotourism is a concept of travel that is directly focused on nature, this direction has expanded rapidly and tourists are more actively and directly involved and looking for new creative travel, for which natural heritage is used for creative purposes.

This direction benefits the local community, as they are directly involved as participants, helping tourists to diversify the tourist offer, generating income without much investment, except for creativity and people’s interest.

Small entrepreneurs become more proactive and more likely to succeed because they can create a large infrastructure from simple and creative ideas that attract the attention of tourists.

Therefore, the ecotourism and cultural traditions of the destination will be appreciated and more easily maintained, which will strengthen the effective stimulation of the economy.

Another important factor is better geographical distribution of visitor flow throughout the year. It was understood that investment in intangible attractions often interferes with seasonality, which has recently become a problem in many destinations.

Creative tourism is also much more fun because it is more interactive, socially equitable and environmentally friendly than mass tourism.

In conclusion, we can mention that innovation is of great importance in the process of creating a tourist product. It increases the attraction of tourist flows, helps to enter new tourist market segments, which increases tourist revenues, helps to improve the economic situation, increases the tourist experience of tourists who are always looking for everything unique, new and creative. Local small and medium-sized entrepreneurs will be involved in the mentioned process, who will be given the opportunity to use and develop their ideas

An example of innovative tourism is the creation of virtual and intelligent museums, where QR codes are used, which allows the visitor to get additional information.

Another successful example of innovative activity in the field of tourism is the creation of modern high-tech complexes, for example: 3D planetariums (Abastumani). As personal surveys revealed, the introduction of the mentioned systems increased the number of tourists by 10%.

A high-tech achievement in the tourism industry is the so-called accommodation facilities. Creating “smart houses” that are energy-saving and ecological, IT systems are successfully used in these houses.

Based on our surveys (conducted in the municipalities of Kakheti), for the development of the tourism industry in Georgia, it is necessary to analyze the current trends in the global market and take them into account in the tourism sector. In order for the country to integrate and establish itself in the world tourism market, it is necessary to identify both positive factors and existing challenges. Today, in the field of tourism in Georgia, we rarely see digital systems, which can be named as one of the important factors of delaying the pace of development.

Innovative technologies determine the consumer behavior of tourists because technologies influence the entire decision-making process. Therefore, the services offered by travel providers through the Internet are becoming more diverse than in the case of traditional channels. From the point of view of developing tourist offers, digital and printed reference materials about tourist routes are not enough, which would increase the number of visitors to Georgia, the frequency of overnight stays and the active involvement of the hospitality industry.

Since the tourism industry is mainly a business built on service and new innovations, therefore, the tourism industry sector should actively try to conduct strategic experiments and create an attractive business model concept that will convince customers to leave the old and familiar environment and get to know something different.

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