
Understanding the Sustainable Development of Tourism

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Supplier-driven Innovations for Sustainable Tourism

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Design and setting by P.K. McBride

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Supplier-driven Innovations for Sustainable Tourism

Anne-Mette Hjalager

Rationale

The purpose of this chapter is to introduce a conceptual approach to driving forces for innovation in sustainable tourism. The model underpins the fact that innovation in tourism is not solely the effect of a strategic and wilful internal action in tourism firms and organisations, but also the consequences of external driving forces. Further, the chapter offers a more detailed review of the importance of suppliers as (one of several) push factors for sustainable tourism. Examples are provided, and possibilities and limitations in terms of a rapid development of more sustainable practices in tourism are discussed. A four-field model aims at stimulating the search for new forms of collaboration between tourism firms and their suppliers, and it adds dimensions to the traditional views in supply chain management.

Learning objectives

On completion of this chapter students should be able to:

- ◆ Define and understand the driving forces for sustainable tourism innovation
- ◆ Identify the capacity of tourism suppliers to undertake sustainable innovations that affect tourism
- ◆ Explain the sustainability issues from a supply chain perspective
- ◆ Evaluate types of innovations for sustainable tourism
- ◆ Track tourism innovations back to suppliers
- ◆ Understand how suppliers can be promoters or inhibitors of sustainability in tourism;
- ◆ Discuss appropriate sustainability incentives and measures.

What promotes innovation?

The context of innovation in tourism

There are many definitions of the term 'innovation'. At the broad level, innovation implies the materialising of something new and the successful exploitation of ideas. Joseph Schumpeter (1934) distinguished between the introduction of new goods, new methods of production, the opening of new markets, the conquest of new sources of supply, and the setting up of a new organisation.

Innovation takes place in all sectors of the economy, including the public and voluntary sectors, but with variations in intensity. Investigations of innovations in tourism firms often come up with very bleak results. The observation is that, understood as individual entities, tourism firms are not particularly innovative (Sundbo, 1997; Christensen, 2008; Hjalager, 2010). Even the largest corporations seldom employ people in research and development departments (R&D). At best, innovations consist of small changes, mostly aimed at obtaining higher productivity and cost savings. Supplementary studies of management attitudes and practices reveal a distinct conservatism and high risk aversion that is likely to counteract the inclination to innovate or hinder the implementation of new products and services (Orfila-Sintes *et al.*, 2005; Jacob and Groizard, 2007; Pikkemat, 2008). In small and medium-size firms, changes often do not take place until the facilities are closed and restarted by new proprietors with novel concepts or ideas.

Nevertheless, tourism as it is experienced by the customer is undergoing quite dramatic changes. Specifically in the field of sustainable tourism, green labelling as auditing started more than a decade ago and represented major steps forward both for protection of the environment and for the image of tourism products (Buckley, 2002; Cater *et al.*, 2004, Presbury and Edwards, this volume). Likewise, the conceptualisation and re-launching of destinations as eco-friendly embody innovations in the larger geographical scale. Such initiatives require inclusive and collaborative attitudes in their local settings to harvest the benefits of the sustainability wave. For example, Costa Rica focuses on sustainability issues in tropical rainforests, and the Alpine region attempts to address the challenges of the immense environmental pressure from winter sport enthusiasts without compromising the economic potentials (Liu, 2003; Holden, 2008).

Unlike other sectors – for example, the automobile or pharmaceutical industries – innovations in tourism are not noticeably embedded inside existing corporative structures. Rather, they are to a greater extent associated with external collaboration and entrepreneurship. Accordingly, the search for, the discovery and creation, the experimentation and development of products and services take place in association with recently started firms or through networks for which the tourism aspect represents a new business strategy (Hall and Williams, 2008). Knowledge needed for the innovative processes is shared with many actors and flows across sectors.

In his book *Innovation and Entrepreneurship*, Drucker (1985) elaborates on the various sources of innovation. Drucker finds that during an innovation process, actors search consistently and purposefully and are organised for changes in the surrounding environment. Innovations exploit changes. His approach and examples demonstrate the existence of a range of external factors that may promote an innovative activity, and which open new profitable niches. They include the unexpected, incongruence, process need, industry and market structure, demographics, changes in perception and new knowledge.

- ◆ **The unexpected:** for example, a success or a failure that can be enhanced. The first Icehotel in Sweden was based on the unexpectedly positive feedback of guests who happened to spend a night in an igloo which was – reluctantly – provided for them.

Chapter extract

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