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Change and Innovation

Introduction

By its very definition sustainable tourism is a both a current- and a future-oriented activity; it's tourism "that takes full account of its current and *future* economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities" according to the UNWTO. Understanding sustainable tourism and managing therefore has a very strong future-oriented component, which is the focus of this chapter.

Often, when we want to understand the future, one of the first things that we need to do is look to the past to identify the trends that have got us to where we are now, and that, in all likelihood, will continue to be trends into the future. The context for tourism's future is a history of spectacular and sustained growth, measured in terms of volume, geographic spread, economic benefits, as well as environmental and social impacts. Going back 40 years to the 1970s, tourism has grown from under 70 million international tourist arrivals, to over 1 billion international tourist arrivals in 2012, according to UNWTO estimates.

This chapter focusses on the future-oriented considerations. We look at what changes are coming, how to understand those changes, ride the wave of change where it is our interest, and weather the storm of change when it isn't. We cover innovation and structural changes, those tipping point type of changes that once they have occurred are unlike to ever revert back to their original state (unlike temporal change such as seasonality through peak, shoulder and low seasons).

Innovation, in particular, is a buzzword in tourism – we speak of digital disruptions, smart tourism, shared economy/peer-to-peer platforms and so forth. These are all exciting terms, which in many cases can directly impact on sustainable tourism by reducing waste and/or consumption, or creating a more equitable playing field for smaller tourism providers in more remote areas.

It's important not to conflate change with progress, however. As we'll see in talking about innovation, the very first characteristic that an innovation must

possess to be successful is a relative advantage over what already exists. If it doesn't offer a relative advantage, it's important to ask yourself – why do it? Have you fallen into the trap of “pro-innovation bias” – that innovations are inherently superior and should diffuse more rapidly through a system than existing products of services.

In this chapter will consider both the changes, and challenges, that the tourism sector is facing going into the future, we'll discuss what innovation actually is, how we can classify innovations to better understand what they are, and how they either get adopted or rejected. This chapter will also look at an example of an innovation from my own work, to illustrate these concepts in practice and give a personal perspective on what it takes to get a new product or idea from the state of an invention (where it exists in your head or your lab only) to an innovation (where it is available on the market).

Key words and concepts

- Temporal and structural change
- Black swans, wildcards, X factors, disruptors
- Forecasting
- Environmental scanning
- STEEP
- Scenario-based planning
- Delphi analysis
- Business as usual
- Green economy
- Innovation

9.1 Understanding change

Change can come in several forms – seasonality is one well-known example in tourism, and is a form of changing demand patterns, where holiday peak periods are followed by shoulder and low seasons, and these repeat yearly. This type of change can usually be predicted and managed through planning based on prior experience. We know that last year's summer season visitor numbers were 20,000, and winter season were about 7,000, so we can expect more or less the same this year.

If you have been paying attention, you'll notice how the previous chapters in this textbook will serve you well in understanding change. In Chapters 5 to 8 you've learned to carefully research your particular situation, speak to stakeholders, decide on a desirable end state for your business, attraction, host community and/or destination, engaged in planning, selected appropriate indicators to track change and then monitored what those indicators have told you about the state of the system and adjusted your management accordingly. That is almost (although not quite, in practice) the easy stuff.

It is the unpredictable change – the wildcards, disruptors or black swans that come out of nowhere and severely disrupt your system – that you also need to understand and manage. It is the structural change, changes to the

system as a whole, occurring incrementally until you reach a tipping point of no return that will affect how you run your day to day operations. It is the changes in the broader system that you need to be aware of and be able to respond to. And finally, it is the radical innovations that you need to keep up to date with.

Whatever the type of change, you will need to learn to recognise it, understand its implications and know how to respond to it. Often it is the incremental change occurring outside the immediate sphere of influence of tourism that are the hardest to spot and so this is where we will start our discussion of change.

Types of change

One common way of scanning for relevant change is to adopt what is known as a STEEP approach. Here you consider different aspects of our interconnected systems focussing on Social, Technological, Economic, Environmental and Political dimensions of that system. Understanding current and past changes can then be used to forecast future tourism development, as well as inform contingency analysis of a range of future forecasts (we'll talk about both forecasting, environmental scanning and scenario-based planning in the next section).

Social factors

Scott and Gossling (2015) have identified several significant trends that have affected the growth of tourism in the past and will continue to affect growth into the future.

Starting with social factors, we want to consider how changing demographics, ethnic diversity, religion and cultural factors might influence tourism. Perhaps one of the demographic changes that has received the most attention is this notion of an ageing population; many people (in developed countries in particular) are living longer, the average life expectancy has gone up approximately 10 years over the last couple of generations, meanwhile families are getting smaller with parents having fewer children. These two trends combined means fewer youths, and more elderly people.

An ageing population has varied impacts on tourism. Retirees have more leisure time, and often, enough disposal income to be able to travel (whether that is a luxury cruise, or a caravan-based road trip). Some tourism sub-sectors are well positioned to capitalise on an ageing population – the travel section of the British newspaper the Telegraph recently ran with a story about what happens if you die on a cruise ship (Figure 9.1).