

FOST INNO



ADRIATIC-IONIAN TOURISM INNOVATION CENTRE RECOMMENDATION REPORT



Programme: INTERREG V-B Adrion 2014. -2020.

Project: 381 FOST INNO - Fostering tourism innovation system in Adriatic-Ionian Region

Authors

I&S Aladin d.o.o. Ajdovščina

Lučka Peljhan

for

Regional development agency of Northern Primorska Ltd. Nova Gorica

Maruša Kuštrin

Faculty of Tourism and Hospitality Management, Croatia

Helga Maškarin Ribarić

Daniela Soldić Frleta

Vanja Vitezić

Renee Škulić

May, 2020

TABLE OF CONTENT

1	STARTING POINT	4
2	WORK METHODS	6
3	KEY STAKEHOLDERS	7
3.1	TOURISM PRODUCT PROVIDERS	7
3.2	TOURISM DEVELOPMENT SUPPORT ORGANIZATIONS	7
3.3	LOCAL AND REGIONAL AUTHORITIES	8
3.4	DESTINATION MANAGEMENT ORGANIZATIONS	8
4	INNOVATION CENTRE OPERATION MODEL	9
5	ACTIVITIES TO BE CARRIED OUT	11
6	CONCLUSION AND RECOMMENDATIONS	15

1 STARTING POINT

The overall objective of project FOST INNO is to improve and ensure long term competitiveness of the Adriatic-Ionian (ADRION) area by enhancing innovation capacity in sustainable tourism based on the common challenges this programme area is faced with, i.e. prolonging the tourism season, elevating tourism quality, and creating improved conditions for jobs in tourism. Hence, the main objective is to change the current practice of insufficient incentives for innovations in sustainable tourism through the design of strategic frameworks, establishing a networking structure and increasing knowledge transfer between business, users, academia and institutional stakeholders.

Setting up the Adriatic-Ionian Tourism Innovation Centre is a long-term action designed to provide a sustainable impetus of innovation, and allowing for maximum implementation for the common benefit of the ADRION area.

Adriatic-Ionian Tourism Innovation Centre (AITIC) is the main conceptual model of the FOST INNO project, established as a network of six contact points located in Albania, Bosnia and Herzegovina, Croatia, Italy, Montenegro and Slovenia. The aim of the future multidisciplinary Centre is to facilitate knowledge on the role of innovations and assist in co-designing of sustainable tourism development. Sharing of knowledge and learning from the experience of others with focused, objective-seeking communication between individuals, groups, or organisations is a prerequisite for sustainable operating of the Centre. Role of the Centre is to promote close and long-term partnering. Furthermore, it's role is also seen in assistance in contacting partner stakeholders and arranging an introductory meeting. Moreover, in the model of networked organisations and enterprises Centre obligation is to help with clarifying or reframing communications for better and quicker adoption.

Future activities of the AITIC include: transfer and exchange of know-how on sustainable tourism development and innovations, fostering innovations in tourism, promotion of innovations as a driver of sustainable tourism development, inclusion of stakeholders in the activities of the centre, educational activities and creation of ICT solution as knowledge base in the form of web application.

The ultimate purpose of the model lies in its' contribution to the development of innovation culture that should lead to the sustainable tourism development in the Adriatic-Ionian region. In this sense, strategic goals for the AI Tourism Innovation Centre are defined and organized around six key topics: Legislation, Cooperation, Support, Transfer, Education, Research.

Specific strategic goals that will serve as a base for future activities are as follows:

- Development of innovation taxonomy, its popularization and advocacy;
- Lobbying (nationally) for the simplification and improvement of legislative acts dealing with innovations;
- Education of stakeholders about innovations, sustainable tourism and about the importance of monitoring of innovations (innovations indicators);
- Lobbying nationally (promoting) for the necessity of introducing obligatory reporting on innovations;
- Creating an Open Innovation Platform;
- Promoting changes of HEI curricula - introducing courses dealing with innovations and innovations in tourism;
- Development and support of cooperation and networking between crucial stakeholders (enabling the transfer of knowledge and innovations from other

sectors into tourism, cooperation between SMEs and large enterprises (win-win), Cooperation between HEIs and enterprises);

- Development of research activities related to innovations and tourism).

Through development of a stronger innovation ecosystem AI partners are directly:

- stimulating a more innovative, creative and risk-taking culture;
- promoting a more dynamic and competitive AI region;
- facilitating the entry into the AI market of new, fast-growing players;
- improving the quality and scope of the advisory services in the field of the innovation in tourism;
- finding the right metrics to track tourism innovations.

2 WORK METHODS

We understand the phenomenon of generating ideas whilst also being aware of the bandwidth of circumstances that slow down the maturation of ideas into useful innovations, and often present insurmountable challenges when it comes to transferring innovation into practice. Thus, in a bid to analyse the tourism situation, we prepared a comparison with ideal environments, such as development-orientated businesses that were able to create conditions for the efficient identification and development of ideas, and the putting of ideas into practice.

The current situation of innovation culture in tourism was neither idealized nor underestimated. The aim was to examine:

- extant best practices,
- untapped potential of stakeholders,
- hitherto untapped opportunities for connecting stakeholders to achieve common goals,
- possibility of upgrading the innovation system with new organizational types and measures.

The result presented hereafter is intentionally presented as an ideal model i.e. an aid to support strategic planning of developmental tasks for the widest circle of stakeholders. The aim of the presented ideal model is for each country to be able to adjust the implementation of the model according to the availability of organisations operating in the tourist industry in the respective area in the framework of the established contact point. Even in settings where the opportunities to engage with a sufficient number of stakeholders are currently small, and the quality of their activities is at an early stage, this model seeks to contribute to long-term planning and designing of policies towards a faster development of a supportive environment for innovation in tourism.

3 KEY STAKEHOLDERS

This model is based on four key stakeholder groups which facilitate innovation in sustainable tourism. Below is an outline of their roles and potentials.

3.1 TOURISM PRODUCT PROVIDERS

This group constitutes the **biggest prospective source of ideas in tourism**. Tourism product providers and businesses, which are directly or indirectly associated with them, come up with ideas during their regular course of business and customer interactions. Until recently, the latter was underutilized as a source of ideas for improvements and innovation. In recent years, digital technologies supporting the development of a culture focused on sharing opinions about tourism products (ratings, recommendations etc.) grew as an important part of daily communication, and as a reference for guests when making tourism product related decisions. This stakeholder group thus generates ideas from **personal experience and from guest interactions**. In addition, this stakeholder group plays an important part when it comes to the identification of local potentials, and transplanting marketable tourism ideas from the local into the entrepreneurial environment.

Representatives of this group are currently faced with limitations in terms of access to wider knowledge, necessary funding to drive development, and useful connections with other stakeholders, which would facilitate acquisition of knowledge and funding.

Potentials

- more ideas as a result of providers' deeper understanding of the subject matter (providing information, knowledge, skills etc.),
- more ideas as a result of familiarization with local offering and potentials (natural endowments, cultural heritage, availability of infrastructure, talent in the local environment etc.),
- increase of ideas developed and implemented as a result of collaboration with other stakeholders and their support.

3.2 TOURISM DEVELOPMENT SUPPORT ORGANIZATIONS

Support organizations include local and regional developmental agencies, local communities, research and educational institutions, business accelerator hubs, parks and incubators, chambers of commerce and craft, financial funds and other organizations designed to promote tourism development. All these organizations boast **topical expertise, their own business networks, and are involved in co-shaping developmental programmes and measures to promote economic development or are familiar with such, and/or take part in the implementation of local, regional, national and European developmental projects**. At the same time, they have no direct contact with the tourism market, particularly guests, in many cases also no contact with entities operating in tourism, and as such are out of touch with their developmental needs. This makes for a lack of opportunities to integrate locally-made innovative ideas into their work and developmental projects. On the other hand, such organizations are able to keep abreast of the developmental trends and best practices around the world via their individual business networks and engagement in developmental projects. In this way, **support organizations are also in the position to generate ideas**, particularly with the support of guidelines that apply to developmental programmes, and measures being implemented via tenders.

Potentials

- more ideas arising from connections with other stakeholders, especially tourism product providers,
- greater contribution to tourism development as a result of innovation and focus on real-life needs and useful products,
- better performance due to improved networking of support organizations.

3.3 LOCAL AND REGIONAL AUTHORITIES

Across environments, local communities are organized and integrated into regions in different ways. What they have in common is that public affairs are governed by local and regional authorities, and in order to represent the interests of the local population and economy, it is these authorities that **implement strategic planning, including measures to stimulate entrepreneurship and innovation**, to increase competitiveness of the local/regional economy. Specific municipalities and/or regions in the ADRION area are already on track in terms of supporting innovation through regular **public tenders and subsidies** for innovation projects including tourism.

Potential

- unified strategies and policies for encouraging tourism innovation in local communities/regions.

3.4 DESTINATION MANAGEMENT ORGANIZATIONS

Certain tourism destinations in the ADRION area already boast local or regional tourism organizations in charge of **managing the development and promotion of the relevant destination**. In Europe and elsewhere around the world, such organizations make for an effective link between the tourism offering and tourism product users, with their work successfully integrating innovation promotion. Therefore, all destinations within ADRION would be well advised to set up this type of organization.

Potentials

- connecting stakeholders in the physical space and in terms of subject matter based on the strategic orientation of each destination,
- collecting and evaluating ideas which could be fleshed out into innovative projects by the destinations themselves,
- promoting innovative tourism offerings.

4 INNOVATION CENTRE OPERATION MODEL

The proposed model sets out a **network of strategic connections between the four stakeholder groups in order to drive innovation in tourism**. At the centre of these connections is the Adriatic-Ionian Tourism Innovation Centre (AITIC) which is the central hub for the exchange of knowledge, ideas and information designed to conceive and implement prospective innovative projects in tourism.

Figure 1



AITIC's role is to:

- act as **moderator for innovation development**,
- manage the direct digital channel which is available via the AITIC online platform, and run the office for application of innovative ideas submitted by tourism providers and other stakeholders,
- organize educational and motivational workshops to drive innovation in each AITIC contact point (purposefully furnished space within each national contact point),
- ensure proper putting into practice of innovative ideas between the network of support organizations and tourism providers,
- ensure proper communication of needs of tourism providers to local/regional authorities, and enable uniform promotion of incentives provided by local communities for innovation,
- act as a contact point in charge of publishing projects and other information on the AITIC platform.

Presented below is the model illustrating the **ideal mode of operation of the AITIC**, which can be adjusted to each country's specific situation. The key novelty and strategic foundation of the model is the dedicated **support organization network**. Its operations are directed by the **moderator for tourism innovation development**. The network receives innovative ideas via different channels, and evaluates them at joint meetings. Members of the network make concerted efforts based on mutual agreement to integrate the selected ideas into their projects and regular activities.

Tourism providers are presented with straightforward channels for the distribution of their business ideas, and given the opportunity to connect with support organizations (knowledge, funding sources, pilot projects etc.) to develop such ideas.

Local communities cooperate with respective support organization networks and possibly destination management organizations in order to devise aligned policies including public appeals to support innovation.

Prospective **tourism destination management organizations** work closely with all other stakeholder groups. Ideally, such organization assumes the primary role in the system and becomes the executor of the majority of tasks of the Innovation Centre in the local setting, and also the operator of the local access point for innovative ideas, specifically the digital channel and office. In line with its mission, it supports the promotion of innovative tourism products as designed for specific destinations.

Figure 2



In the absence of a **tourism destination management organization**, the brunt of these tasks remains under the domain of the contact point. However, the contact point will be carrying them out only until the completion of the FOST INNO project, and for no longer than five years after the projects wraps. Encouraging innovation in sustainable tourism is a long-term task; as such, we suggest that the tourism destinations assign a competent contractor before the projects expires to carry out the tasks of the Innovation Centre, who will be able to continue the mission of promoting innovation in sustainable tourism.

5 ACTIVITIES TO BE CARRIED OUT

Activity 1	AITIC operation
Strategic goal	International cooperation for promotion of sustainable tourism innovation
Activity description	<p>The successful operation of the Adriatic-Ionian Tourism Innovation Centre (AITIC) requires the cooperation of all 6 contact points established. Each Contact point has to appoint one representative who will be responsible for operation of the contact point, implementation of the activities in their country and will actively participate in AITIC meetings. AITIC has one presiding representative between all members of each contact point, who will lead the operation of the centre from the end of the project for at least the next 5 years. In order to successfully operate and monitor the implementation of the activities foreseen in this AITIC Recommendations, we recommend the implementation of the following activities:</p> <ul style="list-style-type: none"> - Video meetings of contact point representatives once a year during the 5 years of the centre's operation <p>In video meetings, representatives discuss the functioning of the centre in the past year and plan implementation of the activities in the coming year. Each representative reports on the activities carried out as recommended. Each representative presents the ideas collected through the country-specific AITIC portal, while other representatives advise on the implementation of the ideas, provide expert opinion or suggest possible cooperation with their applicants. In addition, each representative presents possible new incentives for innovation in tourism in each country, which may be the basis for the transfer of good practices to other countries of the ADRION area.</p>
Expected results	5 video meetings of contact point representatives by 2025

Activity 2	Building AITIC recognition
Strategic goal	Involving tourism providers and organizations in the operation of AITIC
Activity description	<p>In the context of building AITIC recognition, individual contact points will carry out activities to raise AITIC visibility in the local environment. A list of tourism providers and organizations will be made and they will be re-invited to join AITIC.</p> <p>Tourism providers and other organizations get the information about:</p> <ul style="list-style-type: none"> - the purpose, objectives and function of the Adriatic-Ionian Tourism Innovation Centre (AITIC), - How to upload and submit innovative solutions through the AITIC online platform,

	<p>- Options for joining AITIC as members (signature of an agreement).</p> <p>Within this activity, each AITIC contact point shall include at least 3 tourism organizations or providers of tourism services annually in the AITIC for a period of 5 years (a total of 15 for each contact point).</p> <p>For the purpose of raising awareness, 2 workshops, consisting of 2 parts, are organized within each contact point in AITIC (on purpose-equipped premises in the framework of the FOST INNO project). In the first part of the workshop, contact point should organize a short tourism innovation course (the content from the E-courses should also be included) - in Part 2, ideas are generated. As part of this activity, each contact point will acquire at least 5 ideas submitted by applicants through the form on the AITIC platform over a 5-year period.</p>
Expected results	<p>15 new AITIC members for each contact point by 2025 (90 new AITIC members)</p> <p>2 workshops for each contact point by 2025 (12 under AITIC)</p> <p>5 ideas entered via the AITIC Platform form for each contact point by 2025 (30 for AITIC)</p>

Activity 3	Publishing content on the AITIC platform
Strategic goal	Dissemination and transfer of knowledge about tourism innovation through AITIC platform
Activity description	<p>As part of the activity of Publishing content on the AITIC Platform, individual contact points will provide access to up-to-date and current information on tourism innovation for AITIC members and the general public. As part of this activity, each contact point representative will annually publish to the AITIC online platform by 2025 at least 2 examples of good innovation practices in tourism.</p> <p>By 2025 at least one webinar about tourism innovation (in English) will be organized by each CP. Invitations to attend the webinar will be sent to all CPs and published on AITIC platform. Webinars will be recorded and added/uploaded to AITIC platform.</p> <p>Contact information of CP representative has to be updated regularly.</p>
Expected results	<p>10 examples of good innovation practices in tourism per contact point by 2025 (60 within AITIC)</p> <p>1 webinar for each contact point by 2025 (6 within AITIC)</p>

OPTIONAL ACTIVITY

Activity no. 5 is implemented only in accordance with the given capabilities of each country/region/municipality's environment. The activity aims to integrate AITIC into the

operation of the local environment to support innovation in tourism. The activity represents an ideal model for the implementation of which individual contact points can optionally perform individual activities.

Activity 5	Establishment of a network of support organizations for innovation in tourism
Strategic goal	Ensure coherence of tourism development in each tourist destination
Activity description	<p>As part of the recommendations for the operation of the Adriatic-Ionian Tourism Innovation Centre (AITIC), we have presented an ideal model of environmental performance to support the development of tourism innovation. The model envisages the integration of AITIC into the existing local environment. Given that the countries and regions do not have the same developed environment and the composition of the tourism organization, it is strongly suggested that the representatives of the contact points start introducing AITIC into the local environment within the given capabilities.</p> <p>The first step is to prepare a supportive environment. A list of all organizations (development agencies, local communities, research and education institutions, business promotion centres, parks and incubators, chambers of commerce and crafts, financial funds and others) that represent a potential supportive environment for tourism innovation is drawn up and invited to network. Within the established network, a representative of each contact point acts as a coordinator of the activities of a supportive environment for tourism innovation. As far as possible, it is suggested that the network meets at least four times a year and performs activities within the AITIC Contact Point in a purpose-built space within the FOST INNO project. Activities at regular meetings:</p> <ul style="list-style-type: none"> - reporting on past activities and results, - review of innovative ideas recorded, - a presentation of the planned activities of the members of the network, which could include innovative ideas from tourism providers and ideas of a supportive environment, - creating a coordinated agreement to support individual ideas or a plan for integrating ideas into the regular activities of network members. <p>Activities between meetings:</p> <ul style="list-style-type: none"> - holding 2 workshops to enhance competences and foster innovation, - exchange of information with all stakeholder groups, - direct communication with local/regional authorities with a view to unify innovation promotion policies, - individual cooperation with individual actors of innovative projects, preparation of regular information on calls for proposals and possibilities for co-financing innovative

	ideas.
Expected results	Establishment of a network of support organizations within a single contact point for each region.

6 CONCLUSION AND RECOMMENDATIONS

AITIC's purpose is to change the practice in the field of encouraging innovation in sustainable tourism. The guidelines of the Innovation Centre outline the **main strategic framework** which should boost knowledge transfer and idea exchanges between businesses, users, academia and institutional stakeholders. The strategic framework acts as an ideal model that allows for modifications in a given setting or at different developmental stages of the tourism destinations to match real-life conditions. The strategic framework was expanded with an **optional activity**, namely the opportunity to set up a support organization network for tourism innovation, which would additionally boost the flow of knowledge and ideas, and help transpose ideas into practice. Innovative ideas come to life will be the best indicator of the project's success in terms of creating a more innovative, creative and bold culture.

It is precisely for this reason that we are already looking beyond 2025.

In line with our recommendation, **AITIC contact points should at that point transfer, as far as practicable, their role to tourism destination management organizations** to thus allow for the establishment of a **local/national centre for long-term and sustainable tourism innovation endeavours**. We also suggest that organizations should stick with the proposed model design of the Innovation Centre, especially in terms of the operation of the support organization network.