

FOST INNO



Action plan for fostering innovation in sustainable tourism – Tivat, Montenegro

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Introduction

Action plan for fostering innovations in sustainable tourism in Tivat contains key measures, activities, indicators and timeframes in order to obtain efficient and effective business, legal, social, technological and political environment. Defined activities and measure represent answer of Tivat municipality to challenges in area of innovation and sustainable development. Also, they take into consideration main characteristics of Tivat as tourist destination, national specifics and global context, as well.

Main objective is to stimulate and activate local resources especially in sense of innovative and entrepreneurial development. Sustainable tourism in Tivat has shown great progress within last 10 years, especially in nautical sector (e.g. Porto Montenegro), hotel and resort development (e.g. Luštica Bay, Qatary Diar), rural tourism (e.g. Gornja Lastva), cultural events (e.g. Purgatorije), as well as offers based on natural resources and attractions (e.g. Solila).

Apart from previously mentioned, there is an obvious expectation that fostering innovations in sustainable tourism will lead to creation of new, unique and superior tourism experiences/products in Tivat and Montenegro. Therefore, there could be noted that other forms of tourism (e.g. health tourism, bird-watching, special interest tourism, agro tourism, culinary tourism, marine tourism) should be developed in the near future as consequence of continuous process of diversification and specialisation based on innovative and creative capacities of Tivat.

Action plan as a document of important technical and operational value covers area of Tivat municipality in Montenegro.

1 Tourism in Tivat, Montenegro

Tourism with agriculture represents key strategic economic activity in Montenegro. Municipality of Tivat is following this strategic orientation. Moreover, Tivat has succeed to become one of the leading municipality in sense of investments and new tourism products development, especially regarding development of selective and specialised tourist offers.

It is important to mention that Tivat in the previous century was developed as military navy centre (e.g. Arsenal - Mornaričko-tehnički remontni zavod "Sava Kovačević"), with partly developed industrial production of construction materials (e.g. Račica). Due to the long tradition in mentioned activities, it was quite challenging to change the previous industrial course and begin with development of high-quality tourism services and products. Mentioned strategic turnover was accomplished in the last ten years, when the local business and public perception was more prepared and ready for rapid progress and

different approach in general development efforts. Such a different approach is evident in better understanding that geographical position, climate characteristics, landscape, cultural, historical and other resources offer great opportunities for tourism development. Hence, high quality and recognizable tourism products are seen as key strategic guideline for future sustainable development.

In order to present more closely the level of tourism development, especially hospitality sector, following data are shown in Table 1.

Table 1: Structure of hotel offer in Tivat

Hotels	*****	****	***	**	Total
Number of hotels	4	8	5	2	19
Number of beds	380	599	178	421	1 578

Source: Strategic development plan of Tivat municipality 2019-2022, pg. 25.

Comparing the situation of hotel accommodation with previous period, it could be concluded that there was important turnover in direction of quality and more developed service. For example, the % of hotel with 4* increased from 11% to 46,46%, while the % of 2* hotels was strategically decreased to 7,13% from starting high 49% in 2012. It important to notice that there was no hotels with 5* in 2012 in Tivat, while today there are 4 hotels with total capacity of 380 beds. Future plans of tourism development are closely linked with further (re)construction of new hotels with 4-5*.

Size and structure of private and other collective accommodation is presented in tables 2, 3 and 4.

Table 2. Structure of private accommodation in Tivat

Private accommodation (<20units)						
Type	*****	****	***	**	*	Total
Rooms	/	36	178	259	114	587
Number of beds	/	74	419	605	265	1 363
Apartments	4	269	278	189	26	766
Number of beds	12	779	772	505	72	2 140
Villa/house	1	10	4	/	1	16
Number of beds	10	81	28	/	10	129
Condo	Total number:62					221
Total						3 853

Source: Strategic development plan of Tivat municipality 2019-2022, pg. 26.

Table 3. Structure of private accommodation in Tivat

Private accommodation (>20 units)					
Type	****	***	**	*	Total
Apartments	141	37	/	5	183
Number of beds	391	86	/	10	487

Source: Strategic development plan of Tivat municipality 2019-2022, pg. 26.

Table 4. Collective accommodation

Collective accommodation			
Type	Number of *	Number of units	Number of beds
Camp	*	1	40
Camp/ mobile home	/	2	30
Social resort / „Odmaralište“	/	1	50
Hostel	/	1	22
Total			142

Source: Strategic development plan of Tivat municipality 2019-2022, pg. 26.

Increased number of high quality private accommodation was realized in the last 10 years. Rapid growth is seen as important indicator of growing entrepreneurship in local tourism sector. Further improvement in sense of quality rather than quantity is recognized as strategic goals for the municipality.

Rapid growth of accommodation and changes in quality resulted in better valorisation of local tourism resources, often expressed in tourism statistics with obvious positive trends. Key data about tourism arrivals and overnights are shown in table 5.

Table 5. Number of arrivals and overnights in Tivat

Year	Arrivals	Overnights
2014	45.577	439.026
2015	67.464	678.224
2016	74.361	733.542
2017	96.384	869.542

Source: Strategic development plan of Tivat municipality 2019-2022, pg. 26.

Key strategic goals in tourism sectors for the future are: longer season, all-year around season, and increase in tourist arrivals. In line with that, New Year festivals and celebrations are regularly organized. Programme for 2017 New Year was very successful and generated important financial and communication effect for local community, not just in regional and national, but in international context and level, as well. Originality and specific atmosphere that offer New Year celebration provide additional comparative advantage of Tivat tourism offer.

Apart from mentioned, key strategic comparative advantage of Tivat is vicinity of airport (3km from the centre). Key disadvantage of airport is the lack of high operations/landing. Also, limited capacity and need for reconstruction, and further improvement of services are also important factor of success. Some changes are already done (e.g. VIP passage, cooperation with low-cost company Fly Dubai, new charter lines). This resulted in more than 1 000 000 passengers at airport.

Future development of tourism in Tivat will be based of nautical, cultural, health, transit, rural, and other special interest forms of offer. Also, 3S (sun, sea, sand) tourism still represents important offer, but diversification in that sector, as well in selective products require more efforts and investments. It is necessary to point out the role of innovation in process of diversification and specialisation, especially when existing and future visitor are expecting such unique and superior experience. Hence, local public and private sectors have already decided to follow that strategic option, where innovative and unique tourism experiences will successfully position Tivat and Montenegro on high competitive global market.

2 Activities in the function of fostering innovation in tourism

Strategy for fostering innovation in sustainable tourism for Adriatic – Ionian region set following specific objectives that should be achieved across the region:

1. Development of innovation taxonomy, its popularization and advocacy
2. Lobbying (nationally) for the simplification and improvement of legislative acts dealing with innovations
3. Education of stakeholders about innovations, sustainable tourism and about the importance of monitoring of innovations (innovations indicators)
4. Lobbying nationally (promoting) for the necessity of introducing obligatory reporting on innovations
5. Creating an Open Innovation Platform
6. Promoting changes of HEI curricula – introducing courses dealing with innovations and innovations in tourism
7. Development and support of cooperation and networking between crucial stakeholders, especially:
 - 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
8. Development of research activities related to innovations and tourism.

Specific objective 1: Development of innovation taxonomy, its popularization and advocacy will be achieved through implementation of following activities: a) Promotion of innovation and entrepreneurship on local level via workshops and meetings with HEI, local municipality and civil sector; b) Organisation of entrepreneur programmes/festivals and/or campaigns to popularize innovation (e.g. with Porto Montenegro Centre for Innovations) and c) Creation of a manual/guide about innovation taxonomy in tourism sector with examples of good practice.

Specific objective 2: Lobbying (nationally) for the simplification and improvement of legislative acts dealing with innovations will be realized via implementation of following activities: a) Strengthening local administrative capacities for lobbying for the simplification and improvement of legislative acts dealing with innovations on national level and b) Analysis and identification of key and critical business obstacles in legislative acts (local and national) dealing with innovations.

Specific objective 3: Education of stakeholders about innovations, sustainable tourism and about the importance of monitoring of innovations (innovations indicators) will be achieved through implementation of following activities: a) Annual analysis of general state of innovations in tourism sector of Tivat; b) Capacity building via workshops/trainings/webinars about innovations, sustainable tourism and about the importance of monitoring of innovations by HEI and c) Provision of expert support in creation of innovative business plans for SMEs.

Specific objective 4: Lobbying nationally (promoting) for the necessity of introducing obligatory reporting on innovations will be realized via implementation of following activities: a) Workshops on necessity of introducing obligatory reporting on innovations; b) Development of local model (pilot project) for reporting on innovations on local level and c) Support lobbying activities/capacities of Adriatic-Ionian Tourism Innovation Centre.

Specific objective 5: Creating an Open Innovation Platform will be achieved through implementation of following activity: Planning, development and creation of an OIP.

Specific objective 6: Promoting changes of HEI curricula – introducing courses dealing with innovations and innovations in tourism will be realized via implementation of following activity: Promotion of necessity for changes of curricula via Adriatic-Ionian Tourism Innovation Centre.

Specific objective 7: Development and support of cooperation and networking between crucial stakeholders will be achieved through implementation of following activities: a) Improvement of social networking and community engagement in innovative businesses and initiatives via workshops and regular meetings; b) Improvement of networking (SMEs, large companies, HEI, other sectors) via Adriatic-Ionian Tourism Innovation Centre; c)

Financial support for cooperative marketing/business ideas and d) Applying for IPA and other cross border programmes with local stakeholders.

Specific objective 8: Development of research activities related to innovations and tourism will be realized via implementation of following activities: a) Support for R&D (research and development) initiatives for SMEs and other companies involved in important international projects (IPA; HERIC); b) Support for creative talents/students at Universities/Faculties for their research projects, further education and/or business ideas and c) Support for e-courses and e-consultations via Tourism Innovation Centre.

Table 1. Summarised action plan for fostering innovation in sustainable tourism – Tivat, Montenegro

Objectives	Activities	Responsible actor/s	Indicator/s	Timeframe (from mm/yy to mm/yy)
Development of innovation taxonomy, its popularization and advocacy	Promotion of innovation and entrepreneurship on local level via workshops and meetings with HEI, local municipality and civil sector	Tivat Municipality, Employment Agency, HEI, private sector, Porto Montenegro Centre for Innovations	Number of workshops/meetings with private sector	01/2019-06/2019
	Organisation of entrepreneur programmes/festivals and/or campaigns to popularize innovation (e.g. with Porto Montenegro Centre for Innovations)		Number of workshops/meetings/events within public sector (other municipalities and national)	
	Creation of a manual/guide about innovation taxonomy in tourism sector with examples of good practice		Number of workshops/meetings/events with HEI Number of workshops/events with Porto Montenegro Centre for Innovations Number of persons informed about innovations and its taxonomy	

			Manual/guide about innovation taxonomy in tourism sector with examples of good practice	
Lobbying for the simplification and improvement of legislative acts dealing with innovations	<p>Strengthening local administrative capacities for lobbying for the simplification and improvement of legislative acts dealing with innovations on national level</p> <p>Analysis and identification of key and critical business obstacles in legislative acts (local and national) dealing with innovations</p> <p>-</p>	Tivat Municipality, civil sector, private sector, Porto Montenegro Centre for Innovations	<p>Number of trained persons in local administration about necessity for simplification and improvement of legislative acts dealing with innovations</p> <p>Number of workshops about necessity for simplification and improvement of legislative acts dealing with innovations</p> <p>Number of initiatives towards national bodies about simplification and improvement of legislative acts dealing with innovations</p>	06/2019-12/2019

			Number of business obstacles identified	
Education of stakeholders about innovations, sustainable tourism and about the importance of monitoring of innovations	<p>Annual analysis of general state of innovations in tourism sector of Tivat</p> <p>Capacity building via workshops/trainings/webinars about innovations, sustainable tourism and about the importance of monitoring of innovations by HEI</p> <p>Provision of expert support in creation of innovative business plans for SMEs</p>	<p>Tivat Municipality, Employment Agency, Local High School, Faculties and Universities, Porto Montenegro Centre for Innovations</p>	<p>Database of stakeholders, ideas and innovations</p> <p>Number of innovations per year</p> <p>Number of persons/organisations involved in innovations per year</p> <p>Number of workshops/webinars for innovative and entrepreneur project development in sustainable tourism</p> <p>Number of experts involved in creation/realisation of innovative business plans</p>	01/2019-06/2019

<p>Lobbying nationally (promoting) for the necessity of introducing obligatory reporting on innovations</p>	<p>Workshops on necessity of introducing obligatory reporting on innovations</p> <p>Development of local model (pilot project) for reporting on innovations on local level</p> <p>Support lobbying activities/capacities of Adriatic-Ionian Tourism Innovation Centre</p>	<p>Tivat Municipality</p>	<p>Number of workshops</p> <p>Developed local pilot project/model for reporting on innovations</p> <p>Number of informed/trained persons/organisations about necessity of introduction obligatory reporting on innovations</p> <p>Number of initiatives sent to national bodies about necessity of introduction obligatory reporting on innovations</p>	<p>06/2019-12/2019</p>
<p>Creating an Open Innovation Platform</p>	<p>Planning, development and creation of an OIP</p>	<p>Tivat Municipality</p>	<p>Number of organisations involved</p> <p>Number of ideas evaluated, routed and implemented</p>	<p>06/2019-12/2019</p>

Promoting changes of HEI curricula	Promotion of necessity for changes of curricula via Adriatic-Ionian Tourism Innovation Centre	Tivat Municipality, Porto Montenegro Centre for Innovations , A-I TIC	Number of initiatives and ideas for new curricula	06/2019-12/2019
Development and support of cooperation and networking between crucial stakeholders	<p>Improvement of social networking and community engagement in innovative businesses and initiatives via workshops and regular meetings</p> <p>Improvement of networking (SMEs, large companies, HEI, other sectors) via Adriatic-Ionian Tourism Innovation Centre</p> <p>Financial support for cooperative marketing/business ideas</p> <p>Applying for IPA and other cross border programmes with</p>	Tivat Municipality, Porto Montenegro Centre for Innovations , A-I TIC	<p>Number of person informed about cooperational possibilities in local environment</p> <p>Number of ideas/initiates developed by A-I TIC</p> <p>Total amount of support for cooperative marketing/business ideas (EUR)</p> <p>Number of IPA and other programmes project applications</p>	01/2019-12/2019

	local stakeholders			
Development of research activities related to innovations and tourism	<p>Support for R&D (research and development) initiatives for SMEs and other companies involved in important international projects (IPA; HERIC)</p> <p>Support for creative talents/students at Universities/Faculties for their research projects, further education and/or business ideas</p> <p>Support for e-courses and e-consultations via Tourism Innovation Centre</p>	Tivat Municipality, Porto Montenegro Centre for Innovations , A-I TIC	<p>Total amount of support (EUR)</p> <p>Total amount of support for creative talents (EUR)</p> <p>Number of national and international experts involved in e-courses and e-consultations</p> <p>Number of persons/organisations involved in e-courses and e-consultations</p> <p>Number of e-courses and e—consultations realized</p> <p>Number of projects (IPA, national) dealing with innovations in tourism</p>	06/2019-12/2019

Concluding remarks

Presented activities, responsible actors, indicators and timeframes are identified and described in order to provide better opportunities for local entrepreneurs in sector of sustainable tourism. Key challenges are seen in creating innovative, diversified and sustainable tourism products, especially in high quality, nautical, rural, cultural, transit and health tourism. Therefore, Action plan has important role to provide efficient and effective implementation of identified measures, especially in context of development of innovation taxonomy, its popularization and advocacy, lobbying 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; lobbying nationally (promoting) for the necessity of introducing obligatory reporting on innovations; creating an Open Innovation Platform; promoting changes of HEI curricula and development and support of cooperation and networking between crucial stakeholders. Apart from Tivat Municipality as key responsible actor, role of private and civil sector, together with HEI is clearly recognized. Only involvement of all stakeholders could generate necessary innovation and sustainability of tourism in Tivat and Montenegro.