Chapter 8

Doing, Using, Interacting:
Towards a New Understanding of
Tourism Innovation Processes

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ABSTRACT

Innovation is a critical factor for long-term economic development, including in tourism. This chapter examines the processes that lead to new products and services in a tourism context. It does so based on two commonly referred to modes of innovation (Jensen et al., 2007); that is, two types of innovation processes: science, technology, and innovation (STI) and doing, using, and interacting (DUI). DUI appears to capture the essence of innovation in tourism enterprises better than STI because it acknowledges the intrinsic nature of services and the typical size and working modes of touristic actors. The case study of Icehotel illustrates how working in partnerships and in close cooperation with customers enhances the advantages of the DUI model. The handling of externally induced events and difficulties and the critical partnerships are better understood through the DUI than through the STI lens. The DUI framework leads to a more correct picture of tourism innovation and could also provide a better guidance for policy processes in the field.

INTRODUCTION

When it comes to innovation activities and innovation performance, the tourist industry has often been accused of lagging behind other sectors in the economy (Camison & Monfort-Mir, 2012; Mattsson, Sundbo, & Fussing-Jensen, 2005; Sundbo et al., 2007; Hjalager, 2010). However, this theory has been questioned recently from the point of view that tourism (like many other services) is different from these other sectors. For that reason, the approaches chosen for scrutinizing the effects and for analyzing the innovation processes should also differentiate themselves from those in areas such as manufacturing.

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(Rønningen, 2010; Sundbo et al., 2012; Stamboulis & Skayannis, 2003; Sundbo et al., 2013). Hence, the understanding of innovation in tourism requires a faceted approach and the use of distinctive models and frameworks. The tourist industry may actually be more innovative than hitherto assumed.

Studies of tourism innovation have placed a significant emphasis on the innovation outputs: new products and services, changes in marketing approaches, remodeled organizational structures, etc. To date there has been a lack of in-depth insight into the innovation processes that take place in tourism enterprises, and little is known about how managers lead and handle the progression of innovation (Hall & Allan, 2008). A more profound perception of the different modes of innovation may help a firm to identify strengths and weakness in its innovation management (Jensen et al., 2008). Any activity taking place in a tourism establishment is driven by a number of external forces and internal determinations. Therefore, it seems important to create a more accurate understanding of processes and management approaches in order to be able to judge the tourism sector’s innovativeness in a correct context. This knowledge can be essential for the enterprises, but also for policy bodies that aim to enhance the innovative capacity of the tourism sector (Hjalager, 2012; Rodriguez et al., 2014).

At the same time as tourism enterprises are characterized as innovation laggards, some tourism establishments have actually manifested themselves as immensely innovative and have surprised their customers and competitors with daring concepts and radical solutions. When Icehotel in northern Sweden was first established, it spurred a further reflection on the paradoxes in the tourism sector concerning innovativeness.

- How did this come about?
- What was the process from the first idea to the establishment?
- What stimulated the highly remarkable innovative add-ons year after year?
- What type of managers could lead this process and pursue a continuation?
- What did they do differently from colleagues in the tourist industry?

This chapter uses Icehotel to inquire into the innovation processes of one successfully innovative tourism enterprise. The aim is to use a “rich” case to come closer to an understanding of innovation processes in tourism. The study strives to use, critically discuss, and further develop the DUI model (Jensen et al., 2007) in the tourism context.

Background

The motivation behind this chapter is to move the discussion of tourism innovation away from the output emphasis and towards an insistence of the importance of the process. A vast generic literature deals with innovation processes and the management of innovation (Dodgson et al., 2014; Tidd & Bessant, 2013). However, the interest for innovation processes, specifically in tourism enterprises, arose much later (Aldebert et al., 2011; Hjalager, 2010). It can still be characterized as an emerging field that places a distinct emphasis on the importance of networks as stimulators and as facilitators of knowledge transfer (Novelli et al., 2006; Ottenbacher & Harrington, 2009; Weidenfeld et al., 2010). However, much is lacking in terms of an overall understanding of innovation processes in tourism and the managerial significance and integrative efforts.