Chapter 7

The Innovative Social Technologies and Their Impact on Knowledge Management Processes

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ABSTRACT

Innovative social technologies, especially new communication technologies, allows for improving knowledge management processes. One of the managerial tools of communication in specific places are different e-technologies as well as artificial intelligence, which could be used in the consumer approach process as well as the supply side approach. The concept of ambient intelligence means a creation of the clusters of intelligence of high-tech environments—artificial intelligence, business modeling, and brand models application. This concept corresponds to the new age based on the “mobilization of ideas, knowledge and expectations” and technologies, which can be used also in branding, as for instance, experience economy concepts. The proposed chapter will deal with the concepts of the innovative social technologies and branding approaches in form of different models. This is a conceptual research approach, which can be applied in the exploratory study in several countries or used for specific research purposes.

THE OUTLINE OF A CHAPTER

The chapter’s goal is to give a reader a knowledge on the concepts of innovation applied in social technologies and how branding can be involved in this process. There exist different tools for this application, but first of all a reader has to be able to understand what the innovation is and how the theory of innovation has been created. Crucial is a symbiosis between knowledge, innovation and competitiveness, which will be explained in this chapter. The existing pressure to compete and win forces countries to apply
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these new concepts into their development strategies and one of such area is also tourism, especially in tourism marketing, policies and branding. Branding is a concept known for couple decades, especially in product brand concepts, but also in tourism destinations as place branding. These concepts also need new communication approaches and understanding of the approach to branding from the consumer side, not only from the brand producers’ side. For this reason, we tried to underline the importance of business models, brand models (one has been selected on consumer side approach) and discussed the importance of the modern communication technologies, ambient intelligence for the improvement of knowledge management processes.

INNOVATION – A THEORETICAL FRAMEWORK

The theory of innovations is based on the Schumpeter’s Theory of Economic Development created in 1911 (Schumpeter, 1934, 1939, 1943), but the first roots of innovation had started already in the industrial developments of the 18th and 19th centuries, especially in the ideas of classic economists Smith and Ricardo.

Smith criticized the mercantilist approach prioritizing production paradigms and believed that consumption is a driving force of any development and innovation in a society. This argument has been used in critiques of centrally planned economics and identified as one reason for their failure, which has been discussed by Dosi et al. (1988) and Hall and Williams (2008). A market economy and competition are widely seen as the most favorable environment for innovation. Governmental interventions in the form of protectionism (monopolies, oligopolies), unfair competition (tariffs, barriers, subsidies) constrain innovation and competition. For instance, tightly legislated entrepreneurs cannot stimulate effectiveness, efficiency, and productivity, and depend on public financing.

Nevertheless, Schumpeter, a representative of the Austrian school, was recognized as a creator of innovation theory. One of the first theorists of innovation, a French sociologist Gabriel Tarde, developed numerous important concepts and ideas on innovation. Tarde, similar to Schumpeter, agreed that entrepreneurs as individuals create change in a society, and for this reason, innovative processes are individually based (Pinchot, 1985). Thus, the role of consumers is not as important as the role of producers and individual entrepreneurs, especially inventors. Tarde and Schumpeter considered innovation to be a main source of wealth and a reason for the accumulation of capital. Sundbo (1998) added that both authors believed in “the inventions – the new ideas – solve problems and add elements that either make it possible to save on costs or constitute added value in a society” (p. 51). Despite disagreements of opinion especially concerning sources of wealth and wealth creation, and the role of individuals in a society, the first classic authors, i.e. Smith, Ricardo, Marx, Durkheim, and later Tarde, Schumpeter, made important contribution to development of innovation paradigms in a theory of changing economic cycles (Sundbo, 1998, p. 27).

Rooted in Tarde’s belief that cycles are important in innovative processes, Kondratiev created a background for the innovation theory by stressing the importance of a four-stage (prosperity, recession, depression, recovery) economic cycles that begins again approximately every 45-60 years. Innovations occur most often in the period of recovery; as Schumpeter (1934) stated, as cited by Sundbo (1998, p. 40), “the innovations cluster together in some periods…boom periods”.

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