



## **TOURISM INNOVATION AND ITS ROLE IN ENHANCING THE COMPETITIVE ADVANTAGE OF A TOURISM PRODUCT**

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### **SUMMARY**

Tourism is one of the most perspective fields in the world economy. This is due to its multifaceted social and economic benefits that helps to solve many global challenges. As a result, many areas have focused on innovation as one of the renewable forms of competition that provides an innovative tourism product and meets the ever-changing needs of tourists. Therefore, the current study aims to explore the role of innovation as a tool to support the competitive advantage of a tourism product. The results of the research show that innovation is a powerful tool that can increase the competitive advantage of a tourism product. This will positively affect on the competitive position of the country. Accordingly, the creation of innovative tourism products and activities will help to popularize the tourism sector and increase its positive impact.

**KEYWORDS:** Tourism Innovation, Competitive Advantage, Tourism Product, Creativity.

**THE RELEVANCE OF THE RESEARCH TOPIC** is the implanting of tourism innovation in the process of tourism product formation and its role in gaining a competitive advantage.

Demand for tourism from consumers is constantly changing, that creates highly segmented and specialized markets. Also, needs are changing that are becoming more and more difficult to satisfy. Competition in tourism markets is intensifying and therefore stakeholders are looking for new and innovative strategies to ensure the competitiveness of their tourism offer. In recent decades, considering the nature of the tourism industry, which is bent to constant and rapid transformations, patterns of tourism product consumption have shifted from the material sights of cultural tourism to the search for interesting experiences based on the intangible. Creating a memorable and innovative experience that combines these elements then becomes mandatory in order to attract and retain tourists.

**MAIN PART-** Innovation is one of the main factors contributing to economic growth of countries, because it has an economic impact on the tourism sector through production renewal, sales and advertising, it is also an effective factor in adding value to a tourism product. Therefore, considering innovation as an ideal way to overcome future challenges and meet the needs of the

tourism sector is important in increasing the competitiveness of the tourism product. The emergence of new markets, the fragmentation of large markets and their division into smaller markets, improved demographic and psychological studies, the revitalization of some market niches, have prompted tour operators to create new tourism products or modify old ones.

Innovation does not imply small, superficial changes of a tourism product. Successful innovation in competitive conditions should be profitable for tourism companies, should increase the importance of tourism product and tourist experience. How valuable a tourism product is measured by the perception of the tourist, which in turn is related to the quality of the product, the price and their mutual compatibility. Successful innovation can increase this value by improving quality or reducing price.

There are four types of tourism product innovation:

- 1. Standard Innovation** - Attracting new investments that increase productivity; Producers and staff training for greater efficiency.
- 2. Niche innovations** (Innovation to Occupy a niche)  
- Increasing costs for improving quality and standards;
- 3. Revolutionary Innovation** - Facilitating the entry of entrepreneurs to explore new business opportunities;



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Convincing companies to unite in new marketing alliances; Combining an existing product with a new one.

**4. Architectural innovation** - Creating new events and attractions that require reorganization; Redefining physical and legal infrastructure; Creating a competency center that will develop and disseminate new science-based knowledge.

As we see, innovation is considered as an important issue of tourism, it represents all new ideas, concepts, methods and practices that serve the development of the tourism industry. From a strategic point of view, adopting an innovative policy in the tourism business enhances its ability to respond to the needs and requirements of international tourists. Therefore, it can be said that innovation contributes to the development of the tourism sector's reputation in many countries, popularizing the international tourism industry in general, and meeting the growing demands of tourists by increasing the quality of tourism experience. As a result, the tourist destination will be developed, as well as local communities will be supported and more employment opportunities will be created for them.

The researchers presented a specific definition of tourism innovation, which is "the ability to differentiate a tourism product by increasing its competitiveness and socio-economic benefits." In addition, according to the UNWTO, tourism innovation is defined as "the instillation of a new or improved component that can bring tangible and intangible benefits for tourism stakeholders and the local community, as well as enhance tourism competitiveness and/or sustainability." Innovation in tourism can include potential areas such as tourism destinations, tourism products, technology processes, organizations and business models, skills, architecture, services, tools and/or management practices, marketing, communication, exploitation, quality assurance and pricing." Based on the importance of innovation in tourism and previous definitions, we can establish a comprehensive definition of tourism innovation. It can be defined as "a tool designed to provide differentiated tourism products or services to cope with the changing characteristics of tourism demand, to use new distribution channels and to develop different marketing strategies and methods or various advertising tools to attract a wider range of tourism.

Tourism product innovation aims to deliver new tourism products and services, such as providing unique hotel services or adding distinctive attractions of destination. Tourism innovation can also be a small adjustment in tourism products and services that are

already delivered according to their characteristics and purpose. For example, creative tourism is an innovative tourism product characterized by modernity and authenticity. It is considered as a part of modern tourism, which emerged as a result of a large change in tourist demand and is related to the development of urban niche tourism.

Most tourism products are created by default, where the main product is presented in the form of cultural and ecotourism resources, in recent years there have been attempts to instilling creativity and innovation in product creation. This is due to the fact that in the past the tourist was ready to use the ready-made tourist product, but now he is actively involved in the creation of the tourist product. This allows the customer to be more creative in creating the product and in turn also gives the supplier a signal to approach their business with a similar mindset. A creative approach to issues contributes not only to the development of tourism-related but also to related sectors, including the growth of employment levels. However, the role of women in creative development is often leading, which would allow women to increase their share of employment. It causes modifications to the diversity of the standard product, and prevents stagnation. Creativity means connecting familiar issues in new ways, while innovation means offering new creations to society. For tourism, where the product, before its consumption, depends on the imagination, the role of innovation and creativity becomes clear. For example, the attractiveness of a tourist destination increases when a potential tourist sees this place in a movie, or reads about it in a book by a popular author. This can be seen as creative, indirect advertising of a tourist destination. The goal of the innovative approach is to create a new product, to attract investment, provide comprehensive marketing support, to instill the latest technologies and more. In addition, innovation helps to discover new opportunities in the market, which does not always mean just working with new technologies. It is related to the formation of a more new form of thinking. It is difficult to use an innovative approach for small and medium enterprises, for them different authors consider different elements of innovation, however we can single out the following characteristics of the enterprise: connections, technological development and environment. In small companies, where the number of employees is small and one employee has several functions, there is a great chance that most of the employees of the company do not have sufficient level of qualifications, developing



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innovative and creative thinking and approach is an even more difficult task.

Establishing innovative approaches, stimulating research and development in Georgia can be made through "carrying" or "borrowing". For example, Italian Ministry of Cultural Heritage and Tourism has been working actively for several years. The Ministry focused on different tourist destinations, 2016 was the year of national trails, 2017 was the year of villages and 2018 was the year of Italian food (Travel trends in 2019: boom in experiential tourism). Many Italian travel agencies offer experienced tours to tourists that include: Culinary, Wine Drinking, Ingredient Search, and Exploring Local Markets. There are tours in Georgia that include master classes of Georgian traditional food preparation, as well as participation in the vintage process, wine tasting, etc. However, we do not have tours related to local markets and search for ingredients for specific food preparation, the establishment of which would diversify Georgian tourism. In addition, it would be a boost for local markets and agricultural development. Tour operators are increasingly noting that travelers no longer want to be just "tourists", they want to try everything as locals, while in Georgia the provision of tourism services in this regard is less sophisticated. This issue needs an innovative and creative approach, which will make it possible to refine the tourism product and its offer. It should be noted that both creativity and innovation are related to the problem of education, as only through the development of science it is possible to introduce new technologies, refine the thinking of manufacturers and develop/instilling new ideas.

### **CONCLUSION**

As we see, the tasks of tourism product innovation are:

1. Revealing the authenticity of tourism products;
2. Integrating sustainable practices into tourism products and services;
3. Enriching the visitor experience;
4. Expansion of community assets;
5. Creating community incentives.

In view of the above and in the opinion of the researchers, we can identify the main objectives of supporting tourism innovation at the destination (Weiermair, 2004; Mayer, 2009; and Pirnar, 2018) as follows:

1. Increase the value provided to tourists and thus achieve high efficiency of the destination and ease of achieving its goals;
2. Increase global tourism market involvement;

3. Satisfying the changing needs of tourists by increasing the adaptation of supply to demand;
4. Stimulating sustainable tourism practices that have become the focus of tourists, local governments and communities by encouraging innovative enterprises and ideas to support sustainable development;
5. Reduce costs and increase operational efficiency;
6. Increase profits by increasing international tourism demand;
7. Increase the number of nights in the destination by investing in innovative tourism enterprises.

Creating an innovative tourism product will significantly increase tourism traffic and attract new and higher market segments, thus increasing tourism revenues, which will help to improve the economic situation and bring benefit for the local community, as well as enhance the touristic experience of tourists who are always looking for something unique, new and creative.

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