Unlocking Tourism Innovation Potential through Academic Research: A Transformational Learning Approach

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Abstract

Stimulating new tourism product ideas and developing an innovative culture within destinations is fundamental to enhance the current and future competitiveness of the tourism industry. Although academic research is generally considered a necessary precursor to innovation, tourism academic research is criticized as inward looking and failing to create new opportunities. This paper describes a case study of tourism academics working with tourism businesses and destination management agencies to unlock business innovation potential and start an innovation conversation in a destination. Drawing upon the principles of transformational learning theory, the academics built long-term research relationships with tourism businesses and challenged them to develop innovative and appealing products for a new market (the Asian international student market). The successful results provide a model for academic research that challenges established views, disrupts routine thinking and finds ways to innovatively adapt products for new markets.

Keywords: tourism innovation, transformational learning, international students, destination management.

Introduction

A business's ability to adapt and change potentially contributes to competitive advantage (Mei, Arcodia and Ruhanen 2012; Sisaye and Birnberg 2010). Today, the economic development of tourism and other industries requires agile businesses willing to embrace new technology and respond to shifts in the environment. Businesses must be equipped with the capacity to leverage their resources, capabilities, knowledge and new technologies to create unique value propositions and innovatively service customer needs. However, Souto's (2015) research in the hotel industry suggests that having these factors at the businesses disposal is not sufficient to foster innovation, but rather its business's ability to leverage these factors that fosters innovation. For this reason, destination management organizations (DMOs) are increasingly offering capacity building programs (e.g., mentoring, forums) and incentives (e.g., grants, awards) to stimulate businesses to achieve their innovation potential. This investment in innovation capacity building in destinations aims to encourage the development of new products and experiences which, in turn, is thought to lead to job creation and new investment in the region. Business innovation also refreshes the destination's tourism offering and gives consumers new reasons to visit the destination for a first time or return there. As competition among destinations is intensifies, having new, novelty and quality of tourism experiences is central to destination competitiveness and, thus, stimulating business innovation is central to achieving this outcome.

Yet, often the innovation agenda within tourism fails to translate into reality. Based upon their review of innovation research in tourism, Mei et al. (2012, 98) claims that, "*While the importance of tourism innovation may be greatly promoted in the policies, it does not reflect the effectiveness of the strategies to that are put in place to foster tourism innovation*". They cite the paucity of studies investigating tourism innovation and lack of examples of best practice to foster tourism innovation as reasons for this deficit. Hjalager (2015: 3) sought to address that deficit by identifying "100 innovations that transformed tourism" and, as a result, stressed the importance of the dissemination of innovation within tourism, as well as, adopting innovations from other

industries and applying new technologies to tourism as important to foster innovation in tourism. However, in an earlier paper that reviewed the tourism innovation literature, Hjalager (2010) identifies that poor innovation skills among tourism practitioners is problematic and, accordingly, suggests that academic research could play a more fundamental role in informing and stimulating innovation. Hjalager (2010, 10) claims, "*There is a need to re-emphasise issues concerning the production and diffusion of academic knowledge into the business community and the role of education as a means to do so*". Thus, this research seeks to address this issue through exploring how academic research can provide practitioners with the knowledge and learning capabilities to enable innovation. Drawing insights from longitudinal research with tourism businesses located on Australia's Gold Coast, this case study showcases opportunities to unlock the potential of tourism businesses and through employing a transformational learning approach to academic-industry research engagement.

Adopting a Transformational Learning Approach to Facilitate Innovation in Tourism

Transformational learning theory originated in adult education (Mezirow 2000) and has since been applied to other disciplines, such as business and health. This developmental approach to learning is thought best suited to adult learners as they have reached the level of cognitive maturity necessary to accommodate a constructivist method of learning (Merriam 2004). Transformation learning theory proposes that people have mental schemas that determine the meaning of a particular experience. These frames of reference form a personal paradigm on how one will think and feel about the world. These "*meaning perspectives are habits of expectations which govern the way we perceive and comprehend our experience*" (Mezirow 2000: 171). Transformational learning seeks to disrupt and challenge this existing schema (Ajoku 2015) through viewing problems from multiple perspectives and undertaking critical self-reflection. This facilitates the assimilation of new knowledge and leads to a change of a person's structure of assumptions. Thus, through a process of inquiry, reflection on existing and new information, and application and implementation of that knowledge, learning, change and self-development can occur (Ajoku 2015). Transformational learning is therefore differentiated from other approaches such as organizational learning and action learning because in it an individual undertakes a process of focused self-questioning and self-altering in achieving their outcomes. Transformational learning theory therefore appears useful in supporting innovation in a tourism setting.

Methodology

This research was undertaken over a period of three years (from 2012 to 2015). One of the researchers had built relationships the business managers involved in the project over a decade prior and had known some of the business owners since they started-up their business. The initial project recruited five tourism businesses interested in adapting an existing product or introducing a new product through a consumer-driven research process. The researchers worked with local DMOs to recruit businesses. Initially, eight businesses applied to be part of the research. Through an interview process, five businesses were selected based on the business owner/manager's capacity and resources to innovate. The businesses selected had all reached a level of maturity having successfully operated for several years in the traditional market and had established operational procedures, marketing practices and distribution relationships. For these businesses, introducing a new product or re-designing existing products would assist in taking

their business to the next level. The manager driving the innovation also needed to demonstrate a passion for their product (Gardiner and Scott 2013), commitment to improve their business through innovation and willingness to work with other businesses involved in the project to share knowledge and discuss innovation.

The researchers worked with five businesses to conceptualize a new product for the Asian international student market, a new market for the Gold Coast. The reasoning for selecting this market is explained below (see section The Context and Innovation Problem). Each business identified a new product that could be introduced that would be attractive to Asian international students. Three phases of customer research were then undertaken. The first phase involved seven focus groups with international students studying at two universities in Queensland. There were six focus groups with Chinese students only, as well as a mixed nationality focus group for comparison purposes. Each session was approximately 45 minutes duration and was voice recorded and transcribed verbatim. In the second phase of data collection, focus group participants were invited to participate in on-site visits of the five products and interviews were conducted following these experiences. These interviews were voice recorded and key quotes transcribed. Field notes were also taken. The final phase of data collection involved a national online survey of the international students studying in Australia. Interview data was thematically analyzed and key themes identified. Quotes from the interviews were used to illustrate each theme when presented to industry. The survey data was statistically analyzed. Descriptive statistics were mostly used to explain the data as none of the business participants had prior academic research or statistical knowledge and, given the nature of this research, it was important that the business participants understood the research analysis and findings.

During each phase of the research, one-on-one meetings were held with the participating businesses to discuss and reflect on the findings and how this new knowledge informed the next phase of the research and changes to the product design. Group meetings were also held on two occasions to discuss the overall findings for each product and encourage group learning and knowledge sharing. An industry "Masterclass" event (with 80 participants) was also organized to disseminate the findings of the research to the wider industry and stimulate discussion about innovation across the destination. Representatives from three of the five businesses who participated in the research presented at the event, showcasing their experience in developing a new product using academic research. The researchers also assisted one of the businesses apply for a state-wide tourism industry innovation award which was successful in winning the first prize. As a result, the manager won additional business mentoring and one researcher attended and assisted in the two day-long mentoring sessions. The research continues to have an ongoing research relationship with this business and has recently submitted a state government grant application to assist in funding a part-time manager to facilitate the implementation of the innovation.

The Context and Innovation Problem

This research was undertaken in one of Australia's leading tourism destinations, the Gold Coast. This is a mature coastal tourism destination attracting a high proportion of leisure tourists. The Gold Coast has been a popular seaside holiday destination for Australians since the end of World War II (1950s onwards). Today, this coastal city - famous for its surf beach and theme parks - attracts over 3 million overnight visitors per annum, of which 750,000 are international overnight visitors. The destination's key stakeholders include the marketing agency, Gold Coast Tourism,

and the local government, the Council of the City of Gold Coast. Similar to many other tourism destinations around the world, the Gold Coast tourism industry consists mostly of small to medium sized businesses with a few larger players (e.g., theme parks, a casino, and shopping centers). Gold Coast Tourism has over 500 members and provides marketing support for their members and the destination. The council has tourism officers within their economic development unit that support industry development initiatives. The Gold Coast has established itself as a leading Australian tourist destination for domestic and international visitors, yet, destination marketers and managers, as well as, tourism businesses are constantly looking for new markets to grow visitation.

Consistent with this approach, in 2002, the council identified the opportunity to develop the youth and adventure tourism sector and began to implement a long-term industry development strategy focused on this market. As a result, over the decade from 2002 to 2012, international youth visitation to the Gold Coast grew 55 percent. During this period, the inbound youth market was principally backpackers from Western countries, notably the United Kingdom, United States and Germany. Accordingly, tourism products on the Gold Coast were developed to service Western traveler needs. (This trend is also reflected across Australia and in many other Western countries). However, in the early-2000s, another youth tourism market began to emerge – the international student market. At the same time, international backpacker numbers plateaued. Accordingly, Gold Coast tourism businesses, supported by the key tourism organizations, began to look for opportunities to attract this new market. The "new" international student travel market is predominantly from Asian countries. According to the Australian Government (2014), Asian international students accounted for two thirds (67 percent) of the international student population in Australia for the period 2002 to 2014 and students from China represent 35 percent of the total international student population. In 2014, almost 0.5 million international students studied in Australia. International students principally travel aboard for education purposes, however, engaging in tourism activities and travel during their studies is often part of this experience (Gardiner, King and Wilkins 2013). The cultural and behavioral differences between this "new market" – Asian international students – the existing youth market –Western backpackers (King and Gardiner, 2013) represented a challenge for tourism businesses and the DMOs on the Gold Coast. As a result, Gold Coast tourism stakeholders had to think innovatively about ways to adapt existing and create new products to better service this emerging market. This research sought to investigate business innovations to begin this transition from existing to new markets in the youth tourism sector on the Gold Coast. It is evident that other mature destinations around Australia and internationally face a similar challenge with the growth of the Asian international education and independent travel market.

Findings

Interviews with participating businesses at the beginning of the research process revealed that each product and business had a well-established visitor experience servicing Western markets and had little experience in the Asian international student and independent travel market. The two larger organizations, a theme park and the wildlife park, also had experiences designed for the Asian group tour market and were familiar in servicing this market, although the Asian independent travel market and, in particular, the international student market, was unfamiliar to them. The researchers challenged the five tourism operators to consider a new product or experience within their existing product that would appeal to this market. In transformation

learning theory, this is referred to as a "disorientating dilemma" that encourages self-examination and begins the transformational learning process (Mezirow 2000). To define the dilemma, the researchers discussed the current situation and, in particularly, the consumer and travel behavior of the Asian market with each business. Each business then proposed a new product or experience to be tested. The products and experiences include: a new aboriginal wildlife attraction at the theme park, a new mobile phone app for a wildlife park, redesigning the jet boat tour experience to focus on nature and scenery rather than a thrill ride, introduction of a sightseeing canal kayaking tour and introduction of a new beach awareness experience for a learn to surf school. A core part of the early learning was for managers to learn about and recognize the potential of the Asian international student market. Once they learnt about the size and potential of this market, they were willing to consider developing new products and experiences to better service it. In this process the business managers were also able to reflect on changes in their customer mix they had not consciously recognized before. For example, one business owner states:

> "The international student market is growing for us, as we recognize the opportunities there, we are putting more focus on that area, particularly China - Chinese students - and also India students, we are getting more of those [customers]".

Another business owner highlights the shift in market focus in the youth market from Western backpackers to Asian international students, claiming:

> "The international student is more relevant than what the backpackers are at the moment. It used to be lots of Europeans and Scandinavia,[but there has been a] major, major shift, a lot of Asians now… lots of young Chinese people."

The research process challenged them to consider their business from a new perspective, that is, what experiences would appeal to Asian international students? As a result, they began to understand their existing mental schema and move beyond it to consider their experience from another point of view (different from the view of their traditional customers). It was evident that prior to this project all the businesses had limited experience in challenging their existing mental schemas. Although most businesses had made small incremental improvements to their product, most study participants did not allocate any time or resources to reflection and business innovation. Adopting an evidence-based research approach of testing the product with this market enabled the managers to embark on an innovation process in a "safe" way. The neutral position of the researchers - who had no business or competitive interests - supported their shift in thinking and assisted in building trust in the innovation process.

Another important aspect of the transformation process was the business specific relevance of the research results. Participants commented that they often review research statistics and findings, yet it has little relevance of their business. Thus, they knew about the opportunity (i.e., the growth in Asian international student numbers) and saw market changes in the type of visitors in the destination, yet didn't know how to act upon it. The one-on-one sessions with the researchers facilitated the development of this understanding and the business-level applicability of the research meant that managers found the results relevant to their specific business. As a council tourism officer commented:

> "This project has allowed us to understand the needs of international students, which then allows us to work with the businesses to tailor their product and innovate their product to suit those market needs."

Similarly, one of the business participants commented that the project, *"Really enabled us to ensure that we were on the right track with this project and gave us some really great insights."*

As a result of the research, one of the businesses, a learn-to-surf school discovered that sun exposure was a barrier to Asian consumers participating in the experience, so they changed their swimming shirts from short to long sleeve to improve the sun protection. The business owner claims it was, *"Just something small but it really seemed to hit home with that market when we got some feedback from them."* Other businesses used the research to inform the development of new products. For instance the kayaking tour operator states:

> *"One of the outcomes of being involved in the project for us is the development of a new tour, which focuses more on kayaking and sightseeing , not so much on snokeling, which has been very positive with international students."*

The DMOs were also able to benefit and made changes based upon the research findings. It was evident from the analysis that the current positioning of the Gold Coast under the "Famous for Fun" brand as a "sun, sand and surf" beach destination might not appeal to Asian students, particular because of the concerns about getting sunburnt, lack of swimming skills and being unfamiliar with surf beaches. Accordingly, a representative from the destination marketing organization commented, *"We've had to really look at how we position ourselves as a destination to that market"*. The learnings from the research also changed the DMOs' thinking about facilitating innovation in the destination. A council officer stated that the project:

> *"Enabled us to use primary research to work with businesses one-on-one to see how they can innovate their product to suit international market segments, particularly for the international student market. In previous mentoring projects that we've done we haven't been able to get that one-on-one engagement so this has been a fantastic project because there has been actual real time spent in each business which has help them to actually implement some of the knowledge that they've gain to make their product, adjust their product, to suit the needs of international students."*

In summary, this approach to research provided an opportunity for transformational learning. The focus on developing products and experiences for a new market (i.e., Asian international students) disrupted and challenged the business operator and DMOs existing assumptions about their customers. Learning about this new market also facilitated them viewing development of innovative products from a new perspectives, requiring them to reflect on their business experience and how it needed to change and adapt to meet the needs of a new market. Thus, the research drew upon the operators existing tacit knowledge and offered them new knowledge (through research) to change their mental schemas of their product and also about innovation in general.

Conclusion

This study presents a different view of the role of academic research in tourism product innovation. Through a long-term involvement with local businesses and DMOs, academic researchers were able to facilitate innovation. It is therefore proposed that future studies seeking to promote innovation should consider embarking on a transformational learning approach rather than simply disseminating research findings. This study is based upon one location. Replication of a transformation learning approach to tourism innovation undertaken in other destinations would advance understanding of the potential of this approach. Future research in methods to

facilitate tourism innovation are also warranted, in particular opportunities for tourism academics to support local tourism businesses and destinations should be explored in order to ensure academia are able to engage in research-led teaching.

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