

VALUE CO-CREATION ENHANCING DESTINATION RESILIENCE THROUGH SMARTNESS.

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TTRA 2021 Extended Abstract

VALUE CO-CREATION ENHANCING DESTINATION RESILIENCE THROUGH SMARTNESS.

Introduction

The sustainability and competitive advantage of a destination must be extended to include the standard of resilience within a destination. The transboundary nature of crisis and disaster demonstrated by COVID-19 has brought the world into what Lagadec (2009) terms as *terra incognita* i.e. unknown territory. Tourism is considered a “complex business ecosystem” (Stylos, Zwiendelaar, & Buhalis, 2021) and exists within a hypercomplex environment, constantly evolving in response to the ebbs and flows of its internal and external environment, which inadvertently incorporates additional complexity. This, along with natural consequences of this Anthropocene continue to expose and exploit the vulnerabilities of the industry. Hazards are unending, consequently it is contingent on the industry and by extension destinations to collectively manage their inherent vulnerabilities to these events.

Within the destination, value co-creation has historically been advanced within the context of customer-organization relationship (Buhalis et al., 2019). However, adequate focus has not been given to the enabling systems within the tourism ecosystem that facilitates value-co-creation. This research seeks to expand the application of this concept, within the context of crisis/disasters, by introducing the conceptual framework of Real Time Resilience (RTR). RTR emerged from research seeking to address the strengthening a destinations resilience, and was formed from the nexus of Organizational Resilience, Smartness and Real Time Management. It was observed that value co-creation is a strong outcome of this nexus.

Literature Review

With the advances and latent potential of ICT including its ubiquitous nature, less focus has been given to the application of the concepts of co-creation, nowness and real-time to generating value for the ecosystem of the tourism industry. Smart tourism, compounds the existing complexities of the physical reality by introducing the virtual space which is characterized by both value co-creation and information sharing (Gretzel, Sigala, Xiang, & Koo, 2015). Instant gratification and nowness has however promulgated a shift, which will be dominated by agility of processes delivered in real time in order to maximize value co-creation (Buhalis & Sinarta, 2019). Within the public service domain value co-creation supports the ecosystem through the generation of value that meets the social and individual need, ultimately providing value for the society (Osborne, Radnor, & Strokosch, 2016). It is through a digital ecosystem that smartness has the greatest potential to work for the advantage of all so stakeholders benefit through the co-creation of value engendered (Buhalis, 2019).

Crisis and disasters, including COVID 19, have reiterated that considerations for traveler safety and security must be embedded in the traveller experience. This places demand on the tourism ecosystem within the destination to facilitate the necessary systems and processes to provide this

experience; this requires co-creation. Consequently, the discussion must be elevated within destinations, and expanded to internal stakeholders with greater emphasis on real time information sharing which will be used to strengthening the resilience of the industry to unpredictable shocks. This can be best realized through the use of smartness in the strategic approach.

Smartness reflects an interpretive lens with the goal of increased efficiency (Caputo, Perano, & Mamuti, 2017) and this does not only entail the traditional interpretation of technology, but a wider ecosystem. Smartness represents a framework aimed at the re-engineering of processes and data through optimizing interconnectivity and interoperability to improve innovation within the system (Buhalis, 2015) which creates value for all stakeholders. According to Figueiredo, Krishnamurthy, and Schroeder (2020) the elements and processes of smart systems are dependent on human and technical input for its operations, and cannot don't exist in isolation of them. This begins to support the proposition of Boes, Buhalis, and Inversini (2016) that smart systems include both the soft and hard elements of smartness. These are core elements that contribute to the framework on which smart systems will be optimized. This framework then provides support for the 3 I's of Smartness, Interconnectedness, Interoperability and Intelligence. This is where the strengthening of resilience is further optimized and value co-creation facilitated; through the synergy of these elements.

Methodology

The information presented is based on initial research completed as part of a doctoral research. The development of the conceptual framework of Real Time Resilience (RTR), on which the argumentation presented is based, is as a result of a multi-disciplinary critical review of extant literature which demonstrates that extensive research and evaluation of the quality of the literature has been undertaken (Grant & Booth, 2009). A critical assessment was done on the basis of understanding the foundations of the core areas of the larger research (Paré, Trudel, Jaana, & Kitsiou, 2015) and focused on a level of conceptual innovation (Grant & Booth, 2009). The "Conceptualization of real-time co-creation and nowness service ecosystem" (Buhalis & Sinarta, 2019) formed a key starting point on which the findings from the secondary research on Real Time, Organizational Resilience and Smartness further expanded in line with the research objectives.

Results

RTR is the outcome of an initial mapping of literature reflecting the synergies between the aforementioned fields. The mapping brought into focus the areas of paradoxical thinking, smart systems and a real time ecosystem to respond to the uncertainty of crisis and disasters. The work thus far demonstrates a value proposition, enabled by co-creation, for the multi-stakeholder tourism destination, with the aim to strengthen destination resilience.

Conclusion and Discussion

Value co-creation is one of the inherent elements and outcomes of RTR and augers well for all stakeholders. Without the successful implementation of the smart systems ecosystem, value co-creation cannot be fully be optimized for the internal stakeholders nor yield ultimate benefit safety and security visitors of a destination within the context of crisis/disaster.

It is the synergy between elements of smartness that facilitates the interchange and real time of communication and situational awareness that is required in crisis and disaster. This then produces real time information which is needed for real-time decision making. SMEs within the tourism ecosystem do not have access to the same resources as larger organizations. During a crisis/disaster this interconnected smart system can facilitate real time sharing of information and co-creation of efforts through embedded collaboration to safeguard visitors and minimize the impact of the crisis/disaster.

Resilience must be embedded in the ecosystem, and should be viewed as an all-encompassing concept representing the enabling of organizations and by extension systems to continue beyond business as usual through learning, progressing and flourishing (Bhamra, 2015). Prayag (2018) advances that resilience thinking provides an alternate perspective to obtain insight how systems cope with diverse scales of adversity. The thinking behind RTR, will require this embeddedness at the core, and forms part of the value co-creation where all stakeholders benefit.

The sustainability of tourism, especially when faced with crisis and disasters, requires decision makers to engage in a real time integrated decision-making process (Jakulin, 2017). Technology plays a complementary role in data analysis, which strengthens the the discussion of value co-creation through evidence-based decision making as crisis requires collaboration and real time responses (Stylos et al., 2021) enabling real time decision making creating value to all stakeholders. Collective agility and management dynamics within tourism ecosystems must further be explored to provide competitive advantage (Buhalis, 2019) and sustainability to the industry. Beyond the scope of seeing destinations as systems, the discussions of stakeholder must be expanded to realize the utility of smartness as part of our every-day realities (Fyall & Garrod, 2019) and that this can be used as a tool to strengthen resilience of destinations.

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