

INNOVATION POLICIES IN TOURISM AND CLUSTER DEVELOPMENT: THE MANAGERIAL POINT OF VIEW IN THE INNOVATIVE BUSINESS GROUP PROGRAMME (IBG's)

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For the tourism of today innovation has become an essential factor of competitiveness of businesses and tourist destinations. However, there is less innovation in tourism than in other productive sectors, although it should be kept in mind that the indicators used to measure the innovation have not been adapted to the particular traits of tourism and that this sector, despite the barriers that it comes up against (business fragmentation, seasonality, training deficit, etc.), does develop innovative dynamics too.

The innovation policies in tourism are quite recent and hardly any studies have been carried out on them. In Spain, innovation did not become one of the main priorities, at least on the theoretical, discursive level, until the Strategic Spanish Tourism Plan Horizonte 2020 (2008-2012), whose strategic objective is a new tourism economy where innovation, knowledge, the acquisition and development of talent are fundamental points. This paper analyses the Innovative Business Group Programme (IBG's), which is promoted by the existing Spanish Ministry of Industry, Energy and Tourism, which has been used in the tourist sector since 2008. This Programme is a result of the desire to encourage cooperation between companies, the Administration and research centres that are all involved in a certain activity or that work as a cluster.

This paper analyses the cluster policies from a general point of view as context in which the IBG Programme falls into, paying special attention to the particular features of these policies, the criticism made about them, and how they are adapted to tourism. To be more precise, the theoretical analysis re-examines the processes used to form clusters from the methodological point of view to then compare them later on with the experience acquired from the IBG Programme. The crux of the paper is based on a qualitative study that consists in using an unstructured questionnaire for those in charge of the tourist IBG's. An outlook that is considered to be especially suitable for the objective of the study: the

perception and the evaluation of the IBG Programme from the point of view of one of its main actors. The interviews were held in November and December 2012. A total of 28 telephone interviews were carried out using a semi-structured questionnaire for those in charge of 28 IBG's, out of a total of 33 recorded on the register of tourist IBG's at the time of the study. The *unprogrammed standardised* type of qualitative interview was used.

The advantages of the clusters for economic development and territorial competitiveness justify the proliferation of the cluster policies on an international scale. However, the cluster theory, profusely studied and discussed, and the policies arising from this are not free from criticism or controversy. In turn, these policies are drawn up according to a more far-reaching cluster concept, which is different from its more rigid scientific concept. The cluster is conceived to be a development process, a planned initiative focusing on its creation. A process that undoubtedly has organisational and institutional components.

The life cycle of the cluster initiatives start off way before the drawing up of the initiative. The formal establishment of the cluster highlights a series of aspects that are essential for them to work such as financing, the composition and the admission criteria established for members or the management structure. The development of the activities supported by the cluster initiative need the vision and the strategy to be defined, the collaborative relationships to be intensified, and also a group of basic competences: leadership; acquisition of abilities; interpersonal skills; knowledge and vision; management; the ability to analyse and monitor results; and resources. If the initiative is successful, in time it will become a permanent entity of cooperation based on the activity of the cluster.

When it comes to rules and regulations, the IBG Programme defines the clusters as being "the combination of a geographical space or a specific industrial sector of companies, training centres, public or private research units that are involved in collaborative exchange ventures aimed at obtaining advantages and/or the benefits produced by the innovative joint projects carried out. The objective of the IBG will be to obtain a critical mass so that it will definitely be competitive and visible on the international scene". The programme provides for different lines of support to help the IBG's:

- a) Drawing up strategic plans which would enable them to be entered into the Special IBG Register and also to get access to other lines of credit within the programme itself if they are judged positively by the Ministry.
- b) Financing of coordination, management and administration structures.
- c) Preparing specific projects aimed at consolidating the innovative potential of companies.
- d) Promoting joint ventures or consortium projects between different Spanish IBC's or their work with other clusters from other EU countries.

There are 161 IBG's in the Special Ministry Register, of which 21 now belong to the tourist sector, compared to the 33 tourist IBG's that were registered in 2012. This is a considerable drop in the number of IBG's and the causes of which will be analysed later on, although they include the fact that there has been a decrease in the programme's budgetary allowance allocated, which went from being 1.9 million euros in 2008 to 377,663 in 2012, although this rose to 833,369 euros in 2013.

The results of the qualitative study have been organised into different sections: configuration and the activity of the IBG's, factors that favour the development of the activity

of the IBG's and the internal and external limiting factors. Finally, there is a summary of the assessment of the programme and proposals on how to improve that have been made by the managers interviewed.

Three main actors are involved in providing the initial impetus and leadership of the tourist IBG's: the public administrations and agencies, the network of associations and the consultancy sector. The sphere of activity of the IBG's is usually within an autonomous region, a province or even a country. The spatial concentration of the members is definitely not a reason why the IBG's form as would be expected of the most conventional cluster theories. Moreover, there is a significant number of IBG's that are distinguished for having a higher degree of specialization in a subsector or in a specific product/service directly or indirectly associated with tourism: accommodation, restaurants, technology, water-based activities, protected natural areas, etc.

The activities of the IBG's include promoting cooperation between the members, training and research. Then, mediation in the context of communication between members to favour possible synergistic relationships is also shown to be quite a relevant activity in the IBG's. Another group of activities related to the latter involve the activities that are aimed at providing information and advice to the members. The activities that are directly linked to internationalization are trivial. The managers interviewed point out that the main types of innovation developed are those of management or processes and technology.

The factors that favour the development of the activity of the IBG's are closely related to each other. The managers' point out that one of the main factors that facilitates the development of the IBG consists in making the advantages of belonging to the IBC very clear to the members –and potential members. This factor is closely related to understanding the demands of the members properly, given that the idea of benefiting from the IBG comes from the positive impact that a certain project produces or can produce and this is more feasible if the project solves a specific problem that is initially pointed out by the business network. But *seeing the usefulness* is not only a consequence but also a factor that conditions the level of enthusiasm, commitment, involvement and receptiveness of the members.

Making an accurate diagnosis that appreciates the real needs of the sector properly and comes up with the most suitable means and ways to satisfy them is very important. Apart from having an influence on how the entrepreneurs consider being part of the IBG useful, it also helps to identify common objectives, which are essential for the development of the cluster and therefore help promote collaborative projects with more guarantees.

The limiting factors have been divided into internal and external. Nevertheless, the two main barriers that the IBG's come up against are related to the lack of economic resources and a deficit in members' active cooperation that is required by an organisation of this kind. The internal limiting factors are associated with five interrelated sections, as shown in the graph on relationships formed: ingrained conventional association procedures that are inadequate for the purposes of the IBG's; small companies/family businesses; the lack of resources; the lack of training and insufficient internal diagnoses. The graph of the relations between the external limiting factors identify seven main components: the economic recession context; the limited idea of innovation; uncoordinated public-private work; different university-company-administration paradigms; little public awareness of the importance of tourism; the lack of ICT infrastructure; and political interference. The

seven factors have or have had a negative effect on the design and/or the implementation of the IBG Programme used in the tourist sector, despite the fact that in the development of the Programme efforts have been made to try and minimize the negative impact of the aforementioned factors. In turn, these deficiencies in the Programme become evident in a series of problems mentioned by the management of the IBG's (lack of resources for Segittur (Spain's State Society for Innovation Management and Tourism Technologies, responsible of the IBG's Tourism Programme), very tight deadlines to carry out projects, etc.).

Nevertheless, the majority of the managers interviewed assess the Programme positively due to the economic aid received, the encouragement to work together and collaborate and the improvement in the awareness of the SME's in terms of the possibilities to innovate in tourism. From another point of view, the majority are unsatisfied with the amount of objectives of the Strategic Plan that have been attained as a result of the internal and external limiting factors analysed.

The internal limitations denote the persistence of certain traditional barriers to innovation in the sector such as the business fragmentation and the lack of training. However, limiting factors have been identified that propose reconsidering the design and the implementation of the IBG Programme such as carrying on with the ingrained conventional association procedures or the need to avoid making unsuitable diagnoses.

The external conditioning factors are mainly due to the effects of the economic recession on the public budgets and on the profitability of the companies, which in practice results in adjustments having to be made in the Programme, which hinder the viability of the IBG's. Although other conditioning factors are identified that recommend including the IBG Programme in a more ambitious tourist innovation system that is better coordinated at different territorial scales: lack of administrative coordination; the limited idea of innovation; the lack of triple helix collaboration; or little awareness of tourism in public policies.

Finally, the proposals to improve focus on reformulating the Programme to be more selective when selecting the IBG's, be more demanding on how they are run as collaborative entities that focus on innovation, and adjusting the resources for the Programme in accordance with the corresponding objectives. The territorial clusters based on the concentration of supply and demand in the tourist destinations, on the interdependence system and on the collaborative networks at a local scale must be made priorities in this reformulation.