CREATIVE DESTINATION AND INNOVATION. AN APPLICATION TO NEW MARKETS

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Abstract

The relationship between innovation and spaces has been long investigated. The concepts of “learning region” and milieux innovateur help in understanding the relationship between space and innovation, especially in regional economics. Creativity has been addressed as the solution to many urban and regional problems. Starting from the creative city to creative industries and its implications in economics, the importance of innovation on territories has been investigated.

The purpose of this paper is to define the creative destination, especially in the case of tourism destinations. We will use the literature on exaptation to understand how destination may use innovation and creativity to adapt to new markets, often created directly by entrepreneurs. The case of location-based services with its possible implications concludes the paper.

Keywords: location-based services; innovation; tourism; creativity.

Resumen

La relación entre las innovaciones y los territorios han sido analizadas por muchos académicos. Los conceptos de "Región de aprendizaje" y de ambientes ayudan a comprender esta relación, especialmente en el campo de la economía regional. La creatividad ha sido identificada como una solución a muchos problemas urbanos y regionales. El análisis se ha centrado en la importancia de la innovación para los territorios, desde la ciudad a las industrias creativas y sus implicaciones en la economía.

El propósito de este documento es definir el destino creativo, especialmente en el sector turístico. La literatura también se puede utilizar en modo de exaltación y entender cómo el destino utiliza la innovación y la creatividad en adaptarse a nuevos mercados, y esto a menudo directamente por los empleadores. El caso de servicios basados en ubicación concluye el artículo.
Introduction

Creative tourism has been defined as the active tourism involving tourists in some kind of activities. What is really creativity and how it is understood in relationship with tourism is the main purpose of this paper. Creativity is often connected with creative people (Richards 2011), but in the last decades the term has also been used to refer to product and more often to places. The regional studies have often underlined the potential innovation of a place, in order to develop into creative places. Many studies on innovation and knowledge systems underline how region and local economic development is linked to innovation in a specific place. The factors of the success of some places are due to the cultural and social structure in the region.

Creative tourism is more linked to cultural tourism and the cultural heritage placed in a specific destination. Especially in cases such as Austria and New Zealand, we find that culture is the key factor of what is understood as creative tourism. Moreover, in some definitions, creative tourism is linked to the active participation of tourists in the consumption process. Creative destination is therefore considered as that place in which there is the possibility to get creative tourism and where there are all the characteristics to be effectively a creative place. Moreover, innovation may help in the definition and development of the cultural and creative cities. The soft infrastructure is the social capital and the relationships between different institutions, enterprises and people, linked by social and cultural features.

This paper is organized as follows. The first part introduces creativity and creative industries. The second part explains what creative places and cities are and how creative tourism is defined. In the last part, the concept of exaptation is underlined, taking into example location based services and its potential role in tourism destination. Finally, some conclusions are drawn.

Creativity and creative industries

After introducing the main topic of this paper, we will try to define what is creativity and its relationship with economy and industries. The concept of creative industries emerged in Australia in the early 1990s, with the launch of the report “Creative Nation”. A second important contribution comes from the UK Department of Culture, Media and Sport (DCMS) that founded a Creative Industries Unit and Task Force. According to Hartley (2005), DCMS reached a different definition of what is really creative.

According to Caves (2000), creative industries are all industries linked to culture and art, but with specific characteristics. He analyses seven main features related to creative industries. The first one is known as the principle of nobody knows. Demand is uncertain and consumers’ reaction may not be known before and after the consumption. This first characteristic is also linked to the service sector (Grönroos...
2009). The demand uncertainty causes also many effects on the supply and organization of the industry itself.

The second feature is linked to art’s sake. Artists and creative employees care more about originality and professional skills of creative goods than on money and 'humdrum' jobs.

Also, the supply side of creative industries has specific characteristics of what is the main purpose of creativity in economy and industry. The third characteristic is linked to the different skills and capabilities needed to build some creative products. The complex production of specific creative goods implies many different skills and inputs, whose presence is compulsory for the total performance of the creative good. The fourth characteristic is linked to the variety of creative goods, which potentially is infinite. Each creative product is different, unique and has different quality. Moreover, it may have also a specific combination of inputs and options of skills. The fifth feature is linked to different skills, which are vertically differentiated. Different artists have different ranks, due to skills, originality and proficiency in different creative processes and products. The financial success is an effect of the different skills involved in the production of the creative good. Small differences may lead to big differences in the financial success. The complexity and variety of projects and products shows the sixth feature that is linked to the time needed in the creation of creative goods. Time is the essence of creative products. The last characteristic is also linked to time, but for the duration of the creative products. Especially for what concerns art, there is also the problem of copyright protection, in order to allow the creator to create rents (*Ars longa*).

The features described by Caves have been largely criticized for being too rigid (Towse 2002). If we look at creative industries and industries which involve creativity, not all features just described are followed. For instance, creative workers are not just driven by art’s sake. The durability is also linked to other products which are not creative. Another important definition of creative industries is linked to the Department for Culture, Media and Sport (DCMS 2001) which defines creative industries as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.” (DCMS 2001: 04). Hartley (2005) defines creativity as just “having a new idea” (Hartley 2005: 118).

As we have just shown, there are many different definitions on creativity. Moreover, there is not even an agreement on which are creative industries. The DCMS list has been influential, and many other nations have formally adopted it. In the list there are twelve industries (Advertising, Architecture, Arts and antique markets, Crafts, Design (see also communication design), Designer Fashion, Film, video and photography, Software, computer games and electronic publishing, Music and the visual and performing arts, Publishing, Television, Radio (DMCS). However, there are also many critiques. For instance, the division into sectors does not concern about subsided industry and private ones. Moreover, there is no division according to size of firms. Also, the inclusion of all computer services has been questioned (Hesmondhalgh 2002: 13).
Some definitions underline the problem of intellectual properties. For example, Hong Kong has preferred to follow the criterion of the copyright ownership in the value chain, following the World Intellectual Property Organization’s classification of creative industries which follows the ownership of the copyright at different stages during the production and distribution of creative content. For the purposes of this paper the UNCTAD definition of creativity will be proposed, as shown in figure 1.

Figure 1. The definition of creativity

In the report, the complexity of the definition of creativity and creative people is linked to different points of view. Artistic creativity is the most intuitive concept and concerns imagination and the skill of creating original products. Scientific creativity is more about curiosity and innovation through experimentation. Economic creativity is linked to the dynamics through innovation in all business fields in order to create competitive advantages. Technological creativity is interrelated to all three types of creativity described above. Technology is a key driver for the development of many creative activities.

The different approaches to the definition of creative industries do not help in defining which can be considered inside creative industries. UNCTAD defines four main sectors: heritage, arts, media and functional creations. The characteristics of these industries have to be that primary inputs concern creativity and intellectual capital; they are knowledge-based activities, focused on arts, which potentially generate revenues from trade and property rights; they are both tangible and intangible intellectual services with creative content; they may be from artisans, services and the industrial sector and they constitute a new dynamic sector in world trade.
Creativity and Tourism

Having defined what is creativity and what are creative industries, especially through the definition of UNCTAD, we will now analyse how creativity may affect tourism. Figure 2 presents the UNCTAD classification of creative industries.

![Figure 2. UNCTAD classification of creative industries](image)

This classification it is now possible to investigate whether tourism may be considered as a creative industry. The first sub-sector to be considered has to be the cultural sector, which is strongly connected with tourism. Culture and local tradition is an attraction for tourists, especially in places where culture and art are considered a pull factor.

The core problem is that production and consumption in creative activities are strongly linked to new experiences and consumer’s desires (Richards 2011). From the production point of view, creativity is linked to the experience economy, where competition is on services developing experiences. If we consider tourism as an experience good, we may consider also tourism production an experience production, where the experience is strongly linked to the consumption and the place where it is produced. Tourism is a product full of experiences, in which the symbolic production, brand and communication take place. As we have shown before, creative industries create many symbolic contents, especially if we think about the tourism economics.

Therefore, the “creative development of tourism production also stems from the nature of tourism itself” (Richards 2011: 1228). Tourism is also linked to other industries such as media, communication and culture. In the latter case, tourism attraction in a destination is often linked to the local culture and tradition, not only in cultural tourism, but also when there is any contact between the locals and tourists. Especially in the case of cultural tourism, the shift into creative tourism may help also in cases of lack of investments. Also for what concerns urban revitalization, creative workers and artists, especially when organized into creative networks, may be also the
push factor to change cities into creative destination, available also from a tourism point of view. Cases such as the cities of New York and Sydney are useful to explain not only the re-evaluation of a urban centre from a cultural and creative point of view, but also how creative destination may also be attractive for tourists.

From a consumption point of view, creativity is involved in the new consciousness of the tourist-consumer. Nowadays, tourists are more sophisticated and more linked to the personalization of products and on the creativity. Consumption (including also tourism consumption) becomes the externalization of identities.

The Creative Destination

The concept we would like to explain is linked to the concept of creative cities and creative milieu. A creative milieu is a place in which there are some conditions that generate ideas and innovations (Landry 2000). The preconditions mean all infrastructures, which may be hard - such as buildings and institutions, which help the development of ideas and innovations - and soft – the so called social capital and all the social networks involved. The originality and the knowledge are the basis for the development of a creative place. Social capital is essential for the connection and the creation of the condition for the creative destination and milieu.

Tourism is produced and based on the attraction of some places which become tourist destinations, and help in the creation of the soft infrastructure we mentioned before. Moreover, all formal and informal institutions and social structures may also help in the definition of the symbolic value mentioned above. The concept of creative milieu has been indicated as a solution for urban problems and generate creative atmosphere. Creative milieu has therefore an important role in building and regenerating local economy, as well as creating or adding attractiveness to the place.

Creativity may be useful in tourism from different points of view (Richards 2011). First of all, the creative spectacles and events, in order to generate attraction, is a peculiar form of creativity in tourism destinations. Events are essential for the attractiveness of tourists towards a specific destination. Secondly, the spaces and the cultural clusters are essential for creative activities. Places, defined as tourism destination, are the core of tourism.

So how may tourism become creative? Creative tourism may be defined as a part of cultural tourism, in which tourists have an active participation in the experience. Therefore, this definition is quite broad and may include both cultural tourism and experiential tourism, in which tourists have an active part. Therefore, creative tourism has been seen just as a part of cultural tourism. However, there may be another concept of creative tourism, which is linked to the innovation potential of an area and the use of innovation that may be done. The concept of creativity is linked also to innovation, not only considering new kind of events and festivals, but also to understand how to use technologies and innovation in a creative way.
The exaptation

Following the concept of creativity and innovation in tourism as we have just explained, we will focus now on the evolution of exaptation. This concept starts from the principle that “more is different” (Bonifati 2010). In order to attract new tourists, destination and tourism production have to increase their capacity into qualitative changes and in the relationship between production and consumption. This should create new products and patterns of interaction which involve uncertainty in the future production and consumption. Producers are not sure about the success of the innovation and their creative products. Exaptation means that an innovation or a creative product may lead to many different possibilities.

The origin of the term lies in evolutionary biology and starts from the adaptation. Exaptation means the different way of evolving or using a specific innovation which is radically different from the original one (Dew et al 2004). Exaptation may have three different origins. First of all, it can be the result of adaptation to former circumstances, which affect the use of the innovation. Secondly, the characteristics selected have not been the ones that help in performing new technology. Finally, the first features selected were inevitable, also with particular negative outcomes. Exaptation is the adaptation of features of an innovation or creative products in different ways from what originally routed. However, exaptation is quite different from adaptation. Adaptation may be defined as the natural selection process that shape characteristics for the current use. Exaptation is the co-optation of a feature to a new use. The characteristic was previously shaped for other functions. Moreover, exaptation may also be considered the use of a character of an innovation which originally was excluded.

The outcomes of an innovation are often not sure, especially if we think about different uses of innovation which should have different purposes. If we think about tourism and in particular on tourism destination we would find many destinations whose creative purpose was not specifically tourism. The local culture or tradition is usually seen as a creative product to be used by people not for a specific tourism purpose or as an attractive aim, but with the soft institutional thickness as social capital. Therefore, many different restorations or creations of creative cities and places are not linked to the specific tourism and attraction purpose, but to the evolution or adaptation of the local area to changes.
**Location-based services and tourism destinations**

Tourism destinations have been investigated as the most important unit in order to attract tourists, manage the tourism system and supply, and also for concepts like sustainability both from an environmental and from a socio-cultural point of view. By tourism destinations we understand places which are or will be the travel target for tourists who desire to visit the place because of natural or artificial attractions (Franch 2010). Destinations are territorial systems of tourism actors in which a tourist wants to live his tourism experience (Martini 2005). Tourism destinations are in competition among them and try to attract tourists. Therefore, it is essential for a destination to be more competitive in order to attract more tourists.

In this scenario, the creation and implementation of a Destination Management System and a destination web portal are essential. In order to be updated and meet particular tourist needs, location-based services may play a key role. Obviously, the implementation of all information and communication technology to the destination has to be intermediated by the Destination Management Organization. It is the organization in charge of managing the destination both from an internal and an external point of view. It is essential that communication is spread by an official voice in order not to damage the image of the destination and to offer a unique message of communication.

Internet and mobile technologies have strongly impacted tourism destinations. E-business has affected the ways of approaching, distributing, and living the tourism experience in a specific destination (WTO 2001). Changes in tourists’ behaviour are new challenges for tourism destinations. Tourists are now more sophisticated, have different needs and preferences, which affect not only tourism experience, but the booking phase as well. New customers get information from Internet and want to be aware of all facilities and services of a destination (Candela and Figini 2010). In this context, location-based services provided by a destination may be an important means of communication through information and advertising, starting from the tourist request. We will see how mobile Internet and the development of location-based services affect also tourism destinations.

Following the previous paragraph, we will now focus on an example of exaptation. We will analyze location-based services applied to destination and how they may be useful for the destination communication and promotion. Location-based services are applications linked to all services with geographical location. They are defined in different ways. The term is a recent concept which “denotes applications integrating geographic location with the general notion of services” (Schiller and Voisard 2004). Others highlight the fact that location-based services are “business and consumer services that give users a set of services starting from geographic location of the client” (GSM Association 2004). For the purpose of this paper we define location-based services as services connected with the location of the customer or “any application or service that receives a customer’s location and provides that customer with information or services tailored to that location” (ACLU 2010). Other definitions underline technical components and architecture.
Location-based services have had a strong development with the spread access to the mobile technology. This concept is based on the localization of people, services, amenities and all attractions linked to a tourism destination. With the development of mobile communication, location-based services have become a new means of communication and promotion. This recent development is not still wholly expressed, especially in the tourism sector and may be a new means to promote and live the tourism experience, either before or during the experience itself. In tourism, location-based services can help in finding new ways to promote all tourism services. Moreover, location-based services also lead the concept of augmented reality, which is the overlapping of information levels - reality, geo-localization, and multimedia - which are introduced in a local context. Augmented reality may also be helpful to better enjoy the tourism experience, because of new levels of information are added to the whole tourism experience.

However, location-based services may also be used as substitute good of tourism, and therefore they may even be considered as a threat for the tourism industry. For an extreme example we may say that tourism may be substituted by location-based services and augmented reality because of the importance of information at the destination level. Other kinds of substitution may be linked to some of the services in tourism. For example, we may ask to the mobile device where to eat at best in a destination instead of following local advice. Or we may prefer to have a mobile tourist guide instead of a real one. In this last case we have to think also that a mobile tourist guide may be also personalized according to our needs.

Tourism - as an experience good - may be influenced by all these factors. Of course having tourism experiences in augmented reality is not like living the traditional experience of tourism. The augmented reality, in the author’s opinion, will not substitute the real experience of tourism, because all experience may be managed in augmented reality. Location-based services and augmented reality may be considered a complementary good in tourism experience, in order to have personalized services and information.

As previously said, augmented reality is an overlapping of information levels - reality, geo-localization, multimedia-, which are introduced in a local context. Augmented reality may be very easily connected with tourism destination and local context. A tourism destination can have levels of information added in which tourist information - such as a tourist guide and advertising - is added. On one hand, it may be argued that augmented reality can be a useful instrument for living an experience in the destination before, during or after the tourism experience. In this way, we can affirm that augmented reality is a complementary good for destinations.

Therefore, augmented reality may be helpful for the tourism experience because of new levels of information added, which may be personalized. In this sense location-based services may be an opportunity for tourism, especially for tourism destinations. Unlike virtual reality, with augmented reality users see the real destination and location around them. Instead of replacing the existing world, augmented reality is supplementing it, adding information linked to location and services. In the tourist
destination, augmented reality means to give more information about services and amenities linked to the real tourism destination.

Location-based services have to be contextualized in three aspects: location, time and task. In the tourism sector, the location is usually connected with tourism destination. According to this view, we have the overlapping of four different levels of adaptation to an informative context (Reichenbacher 2004). The first level is the information level. The content of information is adapted and personalized, according to the request. The second level is the technological one. Information is encoded to follow different device features. The user interface level has been adapted, in order to be updated to the new location. The last level is the visualization of information – the presentation level – that is adapted to the user’s preferences or characteristics. In tourism destination, adaptation means following not only users’ characteristics, but also place features and the purpose of Destination Management Organizations. Adaptation to users’ preferences stands for how tourists could benefit from the provision of sightseeing information. For different types of information, location-based services adapt information content to users’ preferences or location.

Another kind of adaptation may be linked to the season and the user’s age, showing for instance different activities according to the time of the year, or to whether or not the user is an adult or a teenager. Location-based services have to be personalized not only according to users’ preferences, but also to different kinds of context. Location-based services have to originate from Destination Management Organizations and be related to the user’s location and to social and system contexts (Steiniger, Neun and Edwardes 2006). According to different kinds of service, we may understand some peculiar ones which are linked to tourism destination (Schiller and Voisard 2004).

First of all there are infotainment services, which include all navigation services, information and communication services on all attractions, services and actors in the destination. In this first group there are also location-based games, targeted mainly to young users. This is the main instrument to be used by Destination Management Organization in order to promote and communicate the destination. Tracking services establish location of objectives and people, such as taxi monitoring and child security. Selective information dissemination services include dissemination of advertising and notification, which are often tailored to the user’s preferences and needs. This is an important instrument of advertising of the tourism destination services and amenities. Emergency support services are linked to all these kinds of services which serve police, fire fighters, ambulances, and automotive support crews, which may be useful in all occasions in order to localize a specific person. All these services are an opportunity for Destination Management Organizations to give tailored services to tourists, with a reduction on information costs and time spent in searching (Poslad et al 2001).

As an example, two applications of location-based services and tourism are hereafter described. Location-based services may be useful for moving to a specific destination and inside a destination both by foot and by public services. In order to be able to understand quickly how to do it, a mobile application (app) may be very useful. Another useful app may be a city guide. A smartphone can help in going around the
city, visiting the sightseeing, monuments and having a personalized tourist guide directly on a smartphone, substituting a real tourist guide.

As mentioned before, augmented reality may also be considered a substitute good for some local tourism services. Augmented reality can be overlapped on the real tourism experience and replace services like tourist guides, maps and virtually all information material. The substitute function of augmented reality may not be acceptable for the traditional tourist himself, because of his lack of technology or the necessary experience to be able to benefit from augmented reality. In this sense, location-based services are considered as a potential substitute for some tourism services and these changes the ways of communication by Destination Management Organizations in terms of saving time and money.

Location-based services may be tailor-made in terms of preferences and time of usage. Tourists can always ask for information about the destination. In terms of money, a Destination Management Organization may save on tourist maps and guides, leaflets, transferring information directly to tourists on their mobile device. Moreover, all the information provided is updated in real time. We are convinced that location-based services – especially informative ones - should be supported by Destination Management Organizations in order to give a unique channel of communication and information and to avoid misunderstanding in the transfer of the destination image. Other actors are more likely to misunderstand the effects on the destination system as a whole.

Location-based services can also affect information costs on attractions and services, and their distribution. Tour operators are able to use tracking services in order to get in touch with their customers on holiday. Location-based services can also help in information cost reduction, especially in advertising, because of the direct and tailored message sent directly to the customer, who has previously asked for it. Destination Management Organizations and all actors in a destination can use location-based services to give information about services and reduce therefore, information asymmetries. Information is the base of the tourism sector and can be distributed being cheaper and more personalized. In this way, location-based services could be considered a complementary good of tourism. However, if location-based services are not well managed or not updated, they can be a threat for tourism destinations, especially for their image. In the case of augmented reality, for instance, it is a substitute for many tourism services, such as for example tourist guide. In order to be efficient tourism location-based services have to adapt to consumers’ needs and preferences, to give tourists the appreciation of the complete tourism experience, following their needs and preferences and having at the same time the updated information everywhere.
Location-based services and examples of applications in tourism

As previously said, location-based services may have a key role in a new definition of what concerns the tourism experience in a destination. Tourism and information and communication technologies have been strictly connected because of the need of booking and mapping the tourism requests. Also, the last revolution, Internet, has helped in the building and personalization of a holiday. If we think about wap and smartphone and the use that can be done in tourism and travel industries, we have to take into consideration the evolution of technologies. Already in 2001, the World Tourism Organization wrote about the possible implications of e-business for tourism (WTO 2001). Also, other academics helped in understanding this revolution (Markussen 2001).

But after the first revolution with the Internet, a second revolution is the so-called web 2.0 and social media, in which the use of location-based services is quite evident. It is not just the revolution of the holiday details and information research and not even the email and blogs in which we can find advice for the trip. The real revolution is the social communication of the tourism and travel industries and the social approach of the travellers who want to share their travelling experiences and opinions.

Social networks have to be managed also by DMOs and may help in promotion of tourism to the destination, organization and promotion of online and real events, representation in virtual reality of tourism attractions and exhibitions, training and research of human resources, network of actors in the destination (Franch 2010). This is linked to location-based services, because most of the applications are linked to geographical information. Just as an example, it is possible to analyse one of the most important cases, which is Tripadvisor, in order to understand how social networking is changing the way people plan and live their trip. Of course, there are other websites where people share information on hotels, attractions and restaurants (e.g. Booking.com).

In this particular case, Tripadvisor is a website based on the idea of word of mouth communication helping in the decision of which destination to choose, as well as hotels and restaurants. The basic idea is to invite travellers to share their experience with other people which may have some advice in the decision phase. Nowadays, Tripadvisor is the world’s largest website dedicated to travel. It has more than 200 million website visitors and more than 100 million reviews and opinions per month, operating in more than 30 nations. This application is useful before, during and after the holiday, because of the information given to tourists.

More and more often, tourists who do not know where to eat decide through the web, and in particular choosing a specific restaurant in the neighbourhood which has been positively reviewed. For restaurants and hotels it becomes very useful to have good reviews in order to show the satisfaction of tourists and improve their image. The power of the word-of-mouth advertising is very interconnected with location-based services, because they use localization in order to give information also about the distance.
Conclusion

Creative tourism has become an important feature in academic studies. Its relevance is also linked to the social and institutional organizations that want to become a creative destination. The first purpose of a destination is to attract new tourists and maintain the “old” ones. A factor of attractiveness is local culture and traditions. However, in order to be competitive and preserve the attractiveness, many cities and destinations have become more creative. Creative destinations are meant to be the places in which there is the creative environment. Another interpretation of creative destination is a place in which innovation and new technologies take place and are used for the development of places.

The concept of exaptation has been introduced here in order to understand the adaptation of new technology to ways the technology was not built for. In the example of exaptation analysed, the case of location-based services, innovation may help many destinations both in the promotion and the communication of the place. Location-based services are a new technology whose dissemination has been pushed also by the spread of mobile technology and specific platforms. Location-based services start from the users’ location in order to give specific and tailored services, from a simple information to more sophisticated services, such as tourist guide. The tourism industry is based on information and location. Therefore, location-based services may be very interesting for Destination Management Organizations. They can always meet tourists’ preferences and needs everywhere, substituting traditional information services. In order to be effective, Destination Management Organizations have to manage location-based services in order to have a unique source of information and not to damage the destination image.

Moreover, location-based services may help in the use of new technologies in order to adapt to the new context of technology. The Destination Management Organization has to listen to the customer and participate in the interaction, converting the holiday not just in a passive sale, but also in the involvement of the tourist, before and after the holiday. The Destination Management Organization may approach the new technologies also being the centre of information and communication to the customer, in order to generate a real creative destination, both on and off-line.

The example of Tripadvisor shows how people use other travellers’ information in order to book and plan their holiday. Location-based services in this case are an important service because of the best localisation of the amenities (hotel, restaurant etc.) for the tourists. It is becoming a web-marketing instrument to promote business.
References


