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The Role of Tourism Innovation in Supporting Tourism Competitive Advantage : The Case of a Sample of Tourism Agencies in the State of Tlemcen, Algeria

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Abstract : For more than two decades, Algeria has been seeking to diversify its economy by reducing hydrocarbons dominance on its exports. Tourism sector therefore, has gained considerable attention in Algerian economic policies. The main purpose of this work is to highlight the impact of tourism innovation on tourism competitive advantage. To achieve such goal, a field study including a sample of tourism agencies active in the field of tourism services and travel in the state of Tlemcen was carried out. SPSS package's outputs points out the existence of a strong statistical impact of various forms of tourism innovation such as promotional, distribution and architectural on tourism competitive advantage. We notice however, a complete absence of any effect of other forms of innovation such as pricing, administrative and operational. Our results contribute to the existing literature on the issue of promoting tourism competitive advantage. As far as policy makers are concerned, the above mentioned results could be of extreme importance in building a tourism competitiveness.

Keywords : Innovation, Tourism innovation, Tourism competitive advantage

Introduction

There is no doubt in saying that companies today's environment is characterized by instability, constant dynamism and rapid development in various areas. Thus, in the midst of these challenges, successful economic institutions are those who can do things differently than do their competitors. This new manner of handling things is the new concept known as innovation. Innovation refers to the performance of a process in a radically new way with the objective of achieving dramatic improvements in response time, quality, and efficiency. Contemporary business world has known new aspects like accelerating the introduction of new products and services and the disappearance of old ones, as well as the emergence of new markets and the decline of others.

Finally, the new situation has led institutions to invest heavily in innovation as an important competitive factor to increase their market share or maintaining it. Given this brief introduction, the rest of this paper is structured as follows : Section 2 contains four subsections, the first subsection provides a detailed definition for the concept of innovation and how it differs from other similar terms. The Second subsection discusses deeply tourism innovation. In the third subsection, tourism competitive advantage is explained while the fourth subsection is devoted to the link between tourism innovation and tourism competitive advantage. Section 3 describes the data, methodology and presents the empirical results while Section 4 summarizes the main findings, provides an economic interpretation and some policy recommendations.

Tourism Innovation and Tourism Competitive Advantage

Innovation and Some Similar Terminology

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The concept of innovation should not be confused with some other similar terms such as creativity, invention and discovery. In what follows, a definition of each term is given. Starting with innovation, according to [Guilter & Roffins], innovation can be defined as the processes of creating an idea and transforming it to a useful product, service or a production method (Khairallah, 2008). Creativity however, looks different, as in GAWAN definition, is a combination of abilities, aptitudes and personal characteristics that, if combined with a suitable environment can promote mental processes leading to original and beneficial results for the individual, organization, community, or a worker (Muhammad&Salim, 2009). It is defined by others Creativity is new, useful ideas, related to an optimal problems solution , developing methods or goals, deepening a broader vision and recomposing known patterns of administrative behavior into distinctive and advanced forms that take their owners forward (Manea, 2010). Another definition of creativity can be found in MacKinnon, who sees it as a combination of four basic components, namely, creative work, creative process, creative person and creative attitude (Muhammad&Qandil, 2009). The most common comprehensive definition is to consider creativity as a mental process, which means that a person uses his mind to create ideas, concepts, artistic forms, and theories characterized by modernity (Naima &Abdelkader, 2010). Finally, it comes to invention, which, according to Coulter and Robbins, refers a completely new idea, related to technology and affects societal institutions (Abboud, 2003).

Tourism Innovation

According to (Williams & Hall 2008), innovation means creating new ideas with the aim of solving an existing problem, reorganizing, reducing costs, developing new budget systems, improving communications, changing processes, providing new products or services. Given this, innovation, simply means the ability to change and adapt (Khasawneh, 2011). In the same sense, Innovation in the field of tourism is bringing new ideas, services and products to the market in such away to include the tourism value chain as a whole (Terad, 2007). However, It does not mean only adapting to the changing tourism industry with new marketing strategies, but also promoting new and innovative services, products and processes as well. Innovation thus, should be a permanent, comprehensive and dynamic process. As regards fields of tourism, and following Schumpeter's approach to innovation in the field of tourism, two types of innovation arise; distribution innovation and institutional innovation (Normal & Vergananti, 2012). Accordingly, innovation can occur in one or more of the following five categories:

- Innovation in product or service : Refers to changes observed directly by the client. These changes are new, in either the sense of not having been seen before before, or new to a particular project or destination. Innovation in a product or service is perceptible to tourists to the extent that it may become a factor in a purchasing decision. Innovation in partially or completely variable products and services, developed at the marketing stage, and must be evident either for producers, consumers, suppliers or competitors, such products and services have been developed in recent years, such as loyalty programs, environmentally sustainable accommodation facilities , commemoration of events according to local traditions (tangible and intangible heritage) (Fadel, 2011). Innovation plays an essential role in creating new products and services or introducing modifications , whether radical or partial , in such away that differ from current products (LuqmanAhmed, 2010). Researchers in the field of product development disagreed on establishing a specific classification for new products due to their differences in defining the term new product, considering that the latter is relative and multidimensional. In this context, Philip Kotler presented a classification of new products based on the integration of two criteria ; the degree of innovation in relation to the market and the degree of innovation in relation to the organization. He distinguished the following types (Lashahab&all, 2017): Introducing new product, adding new product lines, expanding existing product lines, improving existing products, repositioning and new products at low prices.
- Process innovation (Lashahab&all, 2017): refers to programs and systems that increase efficiency, productivity, and flow. It is therefore, the core of the innovative process. Process innovations are a means of increasing existing processes efficiency (Hjalager, 2009). It is concerned with new technology or reengineering a production line. The type of innovations that ultimately lead to product or service innovation are good examples of process innovation in tourism field, such as creating or improving systems to make tourists movements in crowded places easy or developing techniques to facilitate luggage movement in airports.
- Administrative innovation : It aims to improve working conditions, improve employee satisfaction, increase knowledge and efficiency and encourage...Institutional values creating a one-team spirit, which enables employees through job enrichment, decentralization, and training to innovate administrative (Védrine, 2003).

Since tourism institutions rely on human element, which explain their dependence on administrative innovation.

- **Institutional innovation** : This category deals with cooperative and organizational structures, beyond individual institution. It puts rules and new systems, such as forming agreements with banks for financing, such as preparing or changing the conditions for obtaining financing from institutions credit, which affects tourism (Shoukal, 2017). It is a combination of institutions, each of which specializes in a specific field providing together a service or product. Examples of institutional innovation can be seen in tourism field, transportation institutions of all kinds, banks, hotels, and tourist agencies agree with each other to facilitate the tourist's movement providing a wide variety of services and products that compete with leading institutions in the tourism field (AbuJumaa, 2003).
- **Marketing innovation** : It is concerned with putting new, unconventional ideas in actual marketing practices application (Nordin, 2008), it is also about an activity or group of innovative, interconnected marketing activities that contribute to meeting current and potential consumers needs and desires (Lambert, 1993). Marketing innovation is the activity that anticipates these needs and searches for new potential ones that a consumer cannot reveal or express. This can be done through imagination and action achieving therefore, solutions that consumer had not thought of (AbuJumaa, 2003). So, marketing innovation develops new ideas or non-traditional marketing practice. It is an activity or group of innovative marketing activities interconnected which contribute to meeting and fulfilling the current, future or potential consumers needs and desires (Lahoual, 2008).
- **Logistics innovation** : It refers to how the flow of materials, information, resources, and customers is dealt with, it also reshaped external exchanges, which affects an enterprise the position in the value chain. Innovations in services modern logistics in the tourism field includes; vertical links in the food and restaurant industries, internet marketing, promotion (Hjalager, 2009).

Competitive Advantage and Tourism Competitive Advantage

After a deep discussion about tourism innovation, we turn now to the the second part of the research represented by tourism competitive advantage. According to [Porter 1993], According to (Porter, 1993), an organization's competitive advantage arises primarily from value benefits that an organization can create for its customers, which can take the form of lower prices relative to competitors' ones for equivalent products, or by providing unique benefits to compensate a higher price order (Porter, 1999). Mc Fetridge however, believes that an organization competitive advantage can be achieved whenever this latter is able to maintain a high level of productivity and profits beside low costs and an increase in market share, without being at the expense of profits. Competitive advantage can be clarified in the following points (Bilali, 2005):

- Competitive advantage is the ability to overcome competitors in terms of price, production, size of the target market, as well as differentiation with resources.
- Distinctive characteristics that enable an organization to dominate and maintain the same position in the market.
- The organization's ability to perform its business by providing and developing new services and winning over competitors.

As for competitive advantage dimensions, are characteristics that an organization chooses and focuses on when presenting products. The five dimensions of competitive advantage are summarized by cost, quality, delivery, flexibility, and innovation (AlSakarneh, 2008).

The role of Innovation in Strengthening Organization's Competitive Advantage

According to the study conducted by (M.Porter, 2000) in ten countries namely, the United States of America, England, Germany, Switzerland, Sweden, Korea, Japan, Denmark, Italy and Singapore, According to the study conducted by Michael Porter (M.Porter, 2000) in ten countries: the United States of America and England Germany, Switzerland, Sweden, Korea, Japan, Denmark, Italy and Singapore, institutions that are able to acquire and maintains a competitive advantage in a high competitive situation are those institutions that constantly innovate and develop through a continuous dynamic process, as well as a commitment to continuous investment (Lashahab&all, 2017). Organizations working in the tourism industry have resorted a combination of options in all areas and activities related to operations management. Such combination represents the competitive precedence that if relied upon or adopted by organizations as a means of competing can leads to achieving goals related to the long term. We notice some disagreement among researchers regarding dimensions that make up competitive priorities. Consensus about such dimensions however, include cost, quality, service

delivery and flexibility. Innovation was added to achieve relevant outcomes (AbdelKarim & Majeed, 2004). In what follows a brief overview of these dimensions :

- **Cost:** Providing products at lower prices compared to competitors leads to increasing the organization's share in the competitive market . Lowering costs, requires distinction between value added and non value added activities in the aim of raising efficiency for the former and eliminating the latter (AlHayali Attiya, 2006). Cost represents a primary goal of operations and is affected by other performance goals. High operational efficiency aims to eliminate waste and providing goods and services to consumers with an increased value at the same time (AbdelKarim & Majeed, 2004).
- **Quality :** means doing things right from the first time avoiding thereby rework. It aims thus, at gaining customer's satisfaction which highly contributes to loyalty of this latter towards the institution. (Dilworth & James, 1996).
- **Efficiency :** Relates institution's inputs and outputs. High efficiency consists at obtaining an increased level of outputs with the same amount of inputs (Thamer & Ahmed, 2008).
- **Delivery time :** Achieving a high delivery time means reducing the leading time between receiving an order from the customer and fulfilling it (Thamer & Ahmed, 2008).

Data, Methodology and Results

In order to achieve our objectives, this section will be divided to three sub-sections. The first one deals with the data collection. The second section discusses the research methodology while the third one will be allocated to the empirical results and discussion.

Data Collection

Our field study focused on a group of service institutions represented by travel agencies in the state of Tlemcen, operating at both national and international levels. Agencies selection rests upon performance criteria and are therefore, very innovative compared to their competitors. The study sample includes 11 tourism agencies active in providing travel services inside and outside Algeria. For the purpose of collecting data, a questionnaire was distributed to 40 employees in these entities, 10 of which were dropped for not meeting the requirements. Thus, the number of approved questionnaires was 30.

Research Methodology

To ensure the validity, effectiveness, and stability of the scale used in the study, alpha Cronbach coefficient was measured, the value of this latter for all scale data reached 93.3%, signaling high statistical significance, evidence of consistency and stability between the statements of the model used. Hence, the scale has high signs of reliability. A range of information can be obtained from the use of the SPSS package at this stage, such as statistical significance between tourism innovation forms as independent variables and tourism competitive advantage as a dependent one. The nature of the previously mentioned relationship is inferred as well and the degree of impact which allow the hypothesised effect to be captured in an equation form.

Empirical Results and Discussion

The previously set of information mentioned, gathered from SPSS package, are related to statistical significance, the direction and strength of the relationship between the dependent variable expressed as tourism competitive advantage and the independent variables expressing various forms of tourism innovation, namely, pricing, promotion, distribution, administration and architectural are proceeded and analysed in this section. Regression results of tourism competitive advantage on tourism innovation are summarized in Table 1 below :

The main finding in table 1 above, is that at a significance level of 0.009, less than 5%, there is a statistically significant relationship between tourism innovation and tourism competitive advantage. A 0.470 correlation coefficient points out the existence of a moderate direct relationship between the two variables. It can be said that tourism innovation affects competitive advantage by 22%. Such effect is therefore, captured by the following linear relationship

Table 1. Tourism innovation and tourism competitive advantage relationship

Constant a_0	Significance Level	Degree of Freedom	Factor Regression a_1	t Calculated	Determination Coefficient	Correlation Coefficient
1.175	0.009	1 28 29	0.574	2.818	0.221	0.470

$$Y = 1.175 + 0.574x + \varepsilon$$

Where Y stands for tourism competitive advantage and x for tourism innovation. Results of the impact of the different forms of tourism innovation on tourism competitive advantage are shown by tables 2 to 5. As regards the administration and the operational effects however, were found not significant and for clarity are not reported.

Table 2. Tourism innovation impact: pricing channel

Constant a_0	Significance Level	Degree of Freedom	Factor Regression a_1	t Calculated	Determination Coefficient	Correlation Coefficient
2.201	0.338	1 28 29	0.159	0.886	0.027	0.165

From table2 above, it is clear that at a 0.338 level of significance greater than 5%, no effect of tourism innovation through the pricing channel on tourism competitive advantage is recorded for the concerned institutions.

Table 3. Tourism innovation impact : promotional channel

Constant a_0	Significance Level	Degree of Freedom	Factor Regression a_1	t Calculated	Determination Coefficient	Correlation Coefficient
1.158	0.000	1 28 29	0.603	4.285	0.396	0.629

Regression of tourism competitive advantage on tourism innovation at a promotional level represented by table3 shows a strong direct relationship with a 0.629 of correlation. Accordingly, innovation at the promotion level affects competitive advantage by 39.6%. Hence, the consequent regression equation takes the following form:

$$Y = 1.158 + 0.603x_2 + \varepsilon$$

Where Y and x_2 represent tourism competitive advantage and tourism innovation at a promotional level respectively.

Table 4. Tourism innovation impact: distributional channel

Constant a_0	Significance Level	Degree of Freedom	Factor Regression a_1	t Calculated	Determination Coefficient	Correlation Coefficient
1.207	0.01	1 28 29	0.596	3.757	0.335	0.579

As is shown in table 4, another impact of tourism innovation represented this time by the distributional component on tourism competitive advantage. Results in table 4 point out to a moderate relationship between the two mentioned variables. With a 0.579 correlation coefficient at a 1% level of significance, tourism innovation affects tourism competitive advantage by 33.5%. The regression equation follows:

$$Y = 1.207 + 0.596x_3 + \varepsilon$$

Y and x_3 stand respectively for tourism competitive advantage and tourism innovation at a distributional level.

Table 5. Tourism innovation impact: architectural channel

Constant a_0	Significance Level	Degree of Freedom	Factor of Regression a_1	t Calculated	Determination Coefficient	Correlation Coefficient
1.758	0.026	1 28 29	0.367	2.347	0.164	0.405

Tourism competitive advantage could also take another form represented by the architectural variant. Results of such form are summarized in table 5. Outputs in the table mean that at a 0.026 significance level, less than 5%, there is a statistically significant relationship between architectural innovation and competitive advantage. This is confirmed by the correlation coefficient estimated at 0.405, which indicates the existence of a moderate direct relationship between the two variables. The determination coefficient indicates that architectural innovation affects competitive advantage by 16.4%. Accordingly, the linear equation can be formulated as follows :

$$Y = 1.758 + 0.367x_4 + \epsilon$$

Y and x_4 stand respectively for tourism competitive advantage and tourism innovation at an architectural level.

Concluding Remarks

As a way of alleviating its reliance on hydrocarbons sector and thereby diversify its economy, tourism sector was among sectors given priorities in algerian economic policy in recent years. Increasing interest in this sector stems from its dual role as a way of diversification first and second as a locomotive for other sectors such as traditional industries. In order to develop the forementioned sector, a clear, well defined starategy has to be put forward. Thus, a large set of means of succeeding should be provided. Among which, travel and tourism agencies seem a good starting point. The foregoing discussion leads to question about algerian travel and tourism agencies efficiency extent . Efficiency for the mentioned agencies simply means that their provided services should be done differently from their competitors, briefly speaking, they have to innovate. The primary purpose of the work in hand was to investigate a sample of travel and tourism agencies's efficiency. The agencies efficiency is proxied by the impact of tourism represented by a set of innovation channels, including pricing, promotional, distributional, architectural, operational and administrative on tourism competitive advantage. Regression results presented in previous section ranked from strong , moderate to weak, indicating therefore, Strengths in some forms of innovation and weaknesses in others. Our results are of extreme importance for both levels namely; policy makers and accademicians. For the former, more emphasis is needed on either strengths and weaknesses. As regards the latter, and for future research, the list of innovation forms could be extended to include other new forms for more continuous efficiency improvement.

Scientific Ethics Declaration

The author declares that the scientific ethical and legal responsibility of this article published in EPESS journal belongs to the author.

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