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# Characteristics and challenges of innovation processes in tourism – a Finnish case

Leverage from  
the EU  
2007–2013



European Union  
European Regional Development Fund



Savonlinna Region  
Federation of Municipalities



South Savo  
SAIMAA  
REGION



ITÄ-SUOMEN YLIOPISTO

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# Agenda of the presentation

1. Introduction
2. Laboratory areas and their geographical locations
3. Purpose of the presentation
4. Methodology and data gathering
5. Innovations, innovation processes, sources of innovations etc....
6. Challenges in innovation processes
7. Conclusion



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# Introduction



Part of a Nordic Innovation Centre (NICE) funded project called Nordic Wellbeing - A Health tourism approach to enhance competitiveness of Nordic Tourism enterprises and destinations.

This particular presentation is derived from research on two of the Finnish laboratory areas in Vuokatti (Kainuu) and Jyväskylä regions.

Paper is under writing process, this presentation is presenting pre-results.

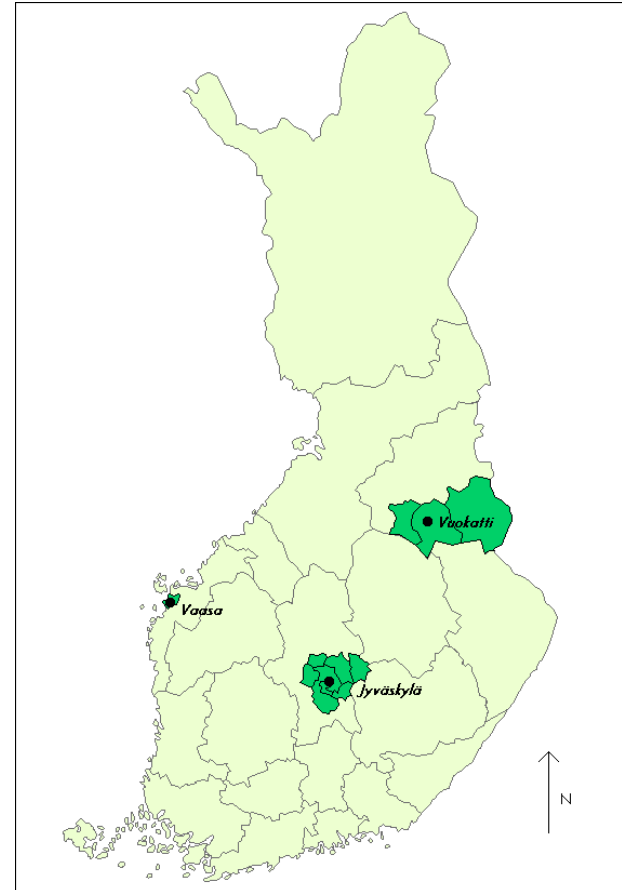
# Laboratory areas and their geographical locations



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# The purpose of the presentation

to focus on the topics of innovation driving forces in the laboratory areas seen by the tourism professionals in the region



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## Methodology and data gathering 1 (2)

Interviewees were local [wellbeing] entrepreneurs and project managers in wellbeing-related projects and marketing organizations. Regional developers represented the public sector.

**In Jyväskylä:** between 18<sup>th</sup> of November 2009 and 13<sup>th</sup> of January 2010

**In Kainuu** between 16<sup>th</sup> of September 2009 and 1<sup>st</sup> of March 2010

In total 22 interviews ; 11 in both regions.

The interviews took from 40 minutes to 120 minutes.

All interviews were taped and later transcribed.

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## Methodology and data gathering 2 (2)

The thematic interviews included e.g. questions about the unique selling points of the region, competitiveness and competition within an area, customer profiles, cooperation and networking as well as resources used in wellbeing tourism development.

This presentation includes the questions about innovations and innovation processes:

- understanding of a word innovation
- sources of innovations
- from an idea to an innovation process
- problems in innovation processes
- some examples of failures
- Nordic context



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# How do you understand the word innovation?

mainly understood as **developing something new**: new ideas and thoughts or solutions, new production processes, new design formats or the modification of existing products or services.

Innovation was seen as a **good thing**, as an **invention** or a **finding** or a **discover**.

Innovation is something which **gives energy to go further**. Innovation was also **compared to inspiration and inventions**. (Vuokatti)

One of the interviewees in Vuokatti analyzed innovation **from two points of view**: one dimension was that innovation is renewing, reshaping or re-modifying things that already exist, while other point was that innovation is inventing something new.

Several interviewees highlighted the **importance of creativity** in the context with innovation. *“New solution, need creativity, that we can create new way to do/to think/to act, plus service and added value aspect to both customer and producer”/Vuokatti* Only by this there can be a real innovation with commercial purposes. Without benefits to both sectors, the innovation is more useless or unnecessary.

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## Receipt of innovation

*“If you combine rational information and add a layer of two-sided creativity you will have innovations. Other side of creativity is to produce innovations that go to the level of products, services and solutions. The opponent side does not have anything with a business. It was seen more as madness and artistry”.*

*“Anybody can innovate new things. Just like these many tourism innovations are... Someone comes and asks to productize silence and quietness. Okay, that’s a good innovation, but how to productize it in a way, that you can sell it year after year and to live with the money earned by it. And in a way, that also customer is satisfied. Then you can talk about innovation” (M10V, free translation of authors).*



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**In Jyväskylä** interviewees highlighted more than in Vuokatti the importance of commercialization, saleability, but also initialization and utilization of innovations.

Innovation was also seen *“as a word that should be deleted totally”* even she continued that *“innovation is also an ability to foresight and to through oneself, as crazy ideas can in a long run be immense, but it need to be tight to realism”*. (F11J, free translation of authors),

**Innovation as a process of mind.**

# From where do you get new ideas for innovations?

## Sources of innovations?

1. **Own personnel** and **daily business routines** most important sources in Vuokatti and **businesses and networking partners** in Jyväskylä.
2. The importance of **strategic networks** was recognized in Vuokatti when customers give impulses to new products and services; in Jyväskylä **customers, customer interface** and by **being active media follower** one gets information of foresights, weak signals but also future trends nationally and internationally
3. **Plan-Ad Hoc** as a scheme of things; behind ad hoc innovations and inventions is some kind of planning process and continuum. (Vuokatti)
4. new ideas rise also from **communication and interaction, self analysis and considerations.**
5. **Brain-storming** sessions, **workshops** and **team working** with partners and colleagues were also seen fruitful in putting ideas into other's

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# From an idea to an innovation?

- very challenging
- was noticed that innovation process needs time and aspiration, and today's hectic work life and working days exclude innovations.
- sometimes even a clear deadline may speed up a process.
- Energy people who address themselves to innovations are needed.
- Innovations also require active aspiration to renew or re-modify existing products or services. The support of R&D actors especially in Jyväskylä

*"the mystery is how to realize it and you also have enough knowledge and competence so that you can observe things through certain [customer's] glasses".*

(M3V, free translation of authors.)



# problems in innovation processes?

- lack of financial and temporal resources, timing, technical problems, lacking of customer knowledge eg. in cultural issues (Russian customers in Jyväskylä)
- management of the process and a shortage of motivations and desire.
- one problem mentioned reflects the trust and cheating among networking or co-operation partners
- Starting point was seen the most difficult.
- Is there really desire to innovate?
- Basically some interviewees saw that generating an idea of new product or service is not a problem, the problem is how to manage the process if there is not enough resources, knowledge and competences.
- Municipality planning preventing innovations in Vuokatti

*“the biggest problem is how to start, unlimited possibilities,*



*difficulties in progress”*

(F9M, free translation of authors).

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## Some examples of failed innovations

- **Children's adventure park in Vuokatti** was explained to fail because of unfinished content planning but also because of operational problems and their expensiveness.
  - **All technological solutions**, especially mobile applications in tourism context. One business-intelligence failed because the chemistry between people did not work, but also because of unclear project plan. In other case the technical solutions were good, but the supporting technical tool did not work. Third failed because of the producer's knowledge did not fill the requirements of the buyer.
  - **The development of Christmas tourism in Vuokatti** failed because of expensive costs. The development was also based on volunteering. The whole development work was seen as an example of romantic fussing.
  - **Muurame Sauna Village**
  - **As general reasons** behind failed or unsuccessful innovations were mentioned the problems in timing, failing in process activities and lacking of customer knowledge.
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## Nordic innovations?

Challenging, not relevant because currently cooperation between Nordic partners is missing.

Also the problems in organizing distribution channels or defining common customers or target areas were seen unrealistic in Nordic level.



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# Conclusions

The importance of creativity in innovation processes was recognized, as well as the added value aspect to both customer and producer and its importance to commercialization and entrepreneur's turnover.

Personnel, daily routines, business and networking partners were most important sources of innovations

Basically generating an idea of a new product or service was not seen as a problem: the problem is how to manage the process, if there are not enough resources, knowledge and competences.

The biggest problems recognized in innovation processes and testing were lack of financial and temporal resources as well as allocation of limited resources in use. Other problem mentioned reflects the trust and cheating among networking or co-operation partners.



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Differences between Kainuu/Vuokatti and Jyväskylä were not very remarkable while examining innovation driving forces.

In Vuokatti the cooperation between different actors were more common , and they have a longer tradition in marketing cooperation => reflects also to innovation processes

Jyväskylä is behind Vuokatti, when comparing the cooperation, innovations and strategic planning.

In Vuokatti region the role of municipality is stronger, while in Jyväskylä the role of R&D organizations was mentioned.



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Thank You!  
Kiitos!

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