

Innovations for Quality Assurance of Gazetted Tourism Products in Uganda

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Abstract

The tourism and hospitality industry is in a crisis – a crisis of change and uncertainty. This crisis is brought on by the rapidly changing nature of the tourism industry itself. This paper provides a systematized and analytically concise collection of innovations that were specifically invented for tourism and have affected Uganda's tourism and hospitality sector to a significant extent. The paper is a contribution to tourism innovation research. Scientific and technological progress facilitates the development of tourism, but often with some delay. The trickling down depends on institutional changes and absorptive capacity in Uganda's tourism sector. The impacts contributed mainly to the social and physical efficacy of tourists, including reduction of risks and improved mobility and accessibility. Innovations also laid the ground for entirely new touristic experiences. Numerous innovations were implemented to increase the productivity and performance of tourism enterprises. The paper provides examples of innovations that led to the opening of new destinations. Institutional and informational innovations proliferated into critical modernization. A deeper comprehension of dissemination patterns can be useful toward future tourism innovation policies.

Keywords: Tourism, Hospitality, Innovation, Quality assurance, Uganda

Introduction

Tourism and hospitality has become a global growth industry. Over the past decades, the tourism and hospitality industry continue to be recognized as the leading contributor to the GDP of most countries. According to the International Trade Centre and World Tourism Organization (ITC/UNWTO), tourism contributes up to US\$ 1.5 trillion in exports to the economies of the visited countries (ITC/UNWTO, 2015). The industry has potential for both direct and indirect employment opportunities. ITC/UNWTO (2015) report that one out of every eleven available jobs globally are directly or indirectly linked to tourism and hospitality. As such, the industry can potentially contribute to reducing the global unemployment crisis. Internationally, tourist numbers are expected to hit 1.8 billion by 2030, or 5 million a day (ITC/UNWTO, 2015). This is expected to eventually contribute to the realization of the UN-Sustainable Development Goals (SDGs) by the year 2030. At country levels, the Uganda's Vision 2040, Tanzania's Vision 2025 and Kenya's Vision 2030 all recognize the potential of tourism to attainment of the SDGs. Notwithstanding, the tourism and hospitality industry is in a crisis – a crisis of change and uncertainty (Alsos et al., 2014). This crisis is brought about by the rapidly changing nature of the tourism industry itself. The industry is considered by some scholars e.g. Munar (2016) to be in a 'metamorphosis'; characterized by rapid and radical changes. The changes are a result of the new technologies, more experienced consumers/travellers, new actors, global economic restructuring and environmental limits to growth (OECD, 2006). Overcoming these challenges

requires that the tourism and hospitality industry become innovative in their operations so as to be able to survive in the complex industry environment. According to Peters and Pikkemaat (2006), innovation should be considered as “strategic features to assure growth and sustainable wealth...”. As such, every industry player ought to identify key areas where it can benefit from these new changes which characterize the changing nature of the tourism industry. Based on Schumpeter (1997), there are five areas in which companies can introduce innovation. These include; a) generation of new or improved products, b) introduction of new production processes, c) development of new sales markets, d) development of new supply markets, and e) reorganisation and/or restructuring of the company (Schumpeter, 1997).

Whereas the tourism and hospitality industry will continue to experience changes and uncertainty due to innovation, there is equally a need for proportionate quality assurance. According to the International Network of Quality Assurance Agencies in Higher Education (INQAAHE) in 1992, quality assurance “*may relate to a programme, an institution or a whole higher education system. In each case quality assurance is all of those attitudes, objects, actions and procedures which, through their existence and use and together with the quality control activities, ensure that appropriate academic standards are being maintained and enhanced in and by the programme, institution or system*”. It is therefore considered as an important activity in the tourism and hospitality industry. This is because producers in the tourism and hospitality sectors introduce products and services expected to be consumed by the different consumers in the market. In so doing, there is urgent need for governments and their agencies to issue standard procedures and guidelines to ensure sustainable quality of the products and services that meet and exceed customer expectations. In this paper, we explore the aspects of innovations for Quality Assurance of Gazetted Tourism Products and services in Uganda. In the next sections, we highlight issues related to the understanding of innovations, Quality Assurance & Tourism Products. This is followed by a discussion of Uganda’s tourism products, services and issues, the tourism value chain, the economics of innovation while reflecting on the recent innovations in the tourism and hospitality industry. Finally, we discuss the policy implications for innovations in Uganda.

Understanding Innovations, Quality Assurance & Tourism Products

There are various definitions of the term “innovation”, which derives from the Latin “*innovatio*” which means the creation of something new. The diversity of definitions lies in the different purposes of examining this phenomenon (Johannessen *et al.*, 2001). Probably the most useable definition is that provided by the late Schumpeter (Schumpeter, 1997) who distinguished five areas in which companies can introduce innovation:

1. Generation of new or improved products.
2. Introduction of new production processes.
3. Development of new sales markets.
4. Development of new supply markets.
5. Reorganisation and/or restructuring of the company.

The above definition clearly distinguishes innovation from minor changes in the makeup and/or delivery of products in forms of extension of product lines, adding service components or product differentiation. Successful innovation, *e.g.* innovation that is also profitable to the tourism firm in a competitive market, must increase the value of the product or tourism experience. Since the value is costumers' perceived quality divided by the price (cost) of this quality successful innovation must increase value by improving quality or by lowering price (cost) (Heskett, 1986).

The production and marketing of tourism products is distinct from industrial products and displays specific characteristics which often pose constraints or problems and hence serve as stepping stones for increasing the value of products via innovation. They are: tourism produces and sells product bundles instead of products (products being "experiences") which are very intangible, products cannot be stored (simultaneity of production and consumption), the consumption of tourism products involves the active participation of the customer (prosumer), and tourism production/marketing may involve large capital assets (airlines, hotel chains or car rental firms) or at the intermediation, distribution and final consumption stage may involve interaction personnel (*e.g.* travel agencies, restaurants, coaches, etc.).

Uganda's Tourism Products & Issues

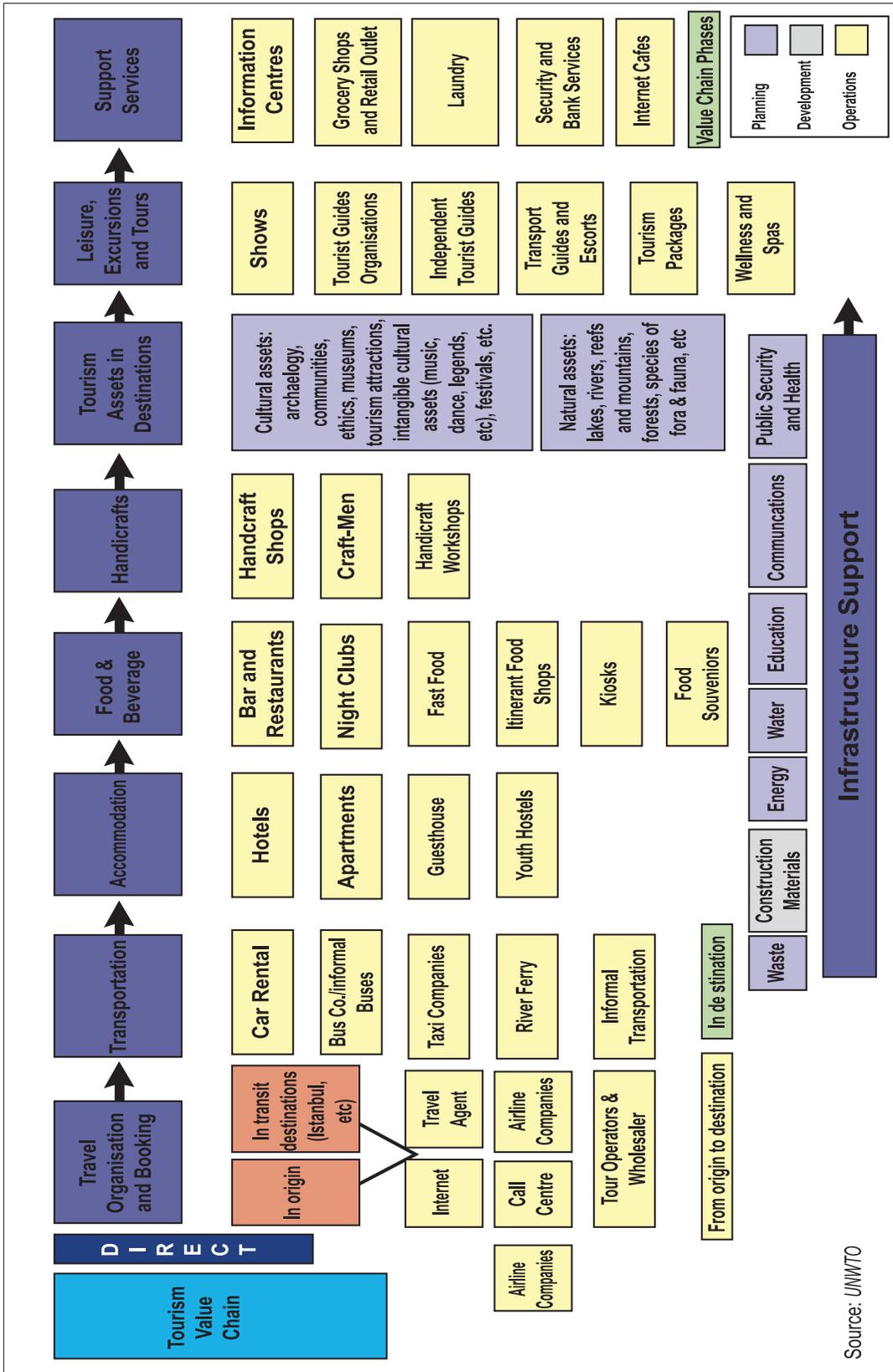
- Uganda receives 10 times fewer tourists per square kilometre in the protected areas compared to its major competitors in the region.
- Wildlife stocks in most of the PAs are declining due to poaching, climate change effects, human-wildlife conflicts, massive invasion of alien species like Lantana which are not palatable to many wildlife species and does not provide conducive habitat for prey prone species.
- The product range is very narrow largely concentrated on wildlife. Uganda's cultural and historical heritage resources are in a latent state while others are being destroyed.
- Tourism on Uganda's large water bodies together with diverse avian life is still underdeveloped. This also applies to Uganda's entertainment sector.
- Uganda's product is delivered by fragmented service providers who are inefficient and ineffective which ultimately makes the product expensive.
- Limited government support for investment in the sector as there are no incentives for people interested in developing specific products
- There are no realistic work plans and budgets for tourism product development at the local government level.
- The sector remains highly centralized, based in Kampala, limiting information sharing to other regions to facilitate opportunity recognition and product development
- There is lack of a tourism investment fund specific for regions

Uganda National Tourism Sector Development Plan 2015/16 – 2019/20

Tourism Value chain and innovations

It is probably fair to say that most sectors of economic activity have undergone strong technological changes moving towards IT-based flexible manufacturing with global outsourcing, creating the “.com” or “new economy”, which very much fits with what Schumpeter described as the creative destruction of existing institutional arrangements and patterns of exchange in order to create new wealth through innovation. His vision also included an increased willingness to take calculated risks by new or “real” entrepreneurs (Schumpeter, 1934).

This paper revealed 8 value chain nodes feeding into each other to provide a total tourist experience to, during and from destination Uganda. These nodes are traced at 1) Selection and booking; 2) International transport; 3) Accommodation; 4) Food and Beverages; 5) Handicrafts; 6) Tourism Assets in Destinations; 7) Leisure excursion and Tours; and 8) Support Amenities (Shopping, entertainment and amenities). This chain map is illustrated below



Economics of innovations;

This part analyses the economic motives of tourism entrepreneurs underpinning innovative behaviour and the varying types of innovation which can be distinguished. There are three factors which determine the level and pace of innovation actively in tourism, i.e.:

There are three factors which determine the level and pace of innovation actively in tourism, i.e.:

- Supply and supply–related determinants.
- Demand drivers.
- The level and pace of competition.

Supply factors

The availability of new technologies led to the development of new skills, new materials, new services, and new forms of organisation. This is especially true for the last two decades where the role of technological innovation was crucial. In tourism, technology created a new form of business called e-tourism, which today is the biggest force in e-commerce.

Thanks to this development, new skills in tourism management (e-marketing) were necessary, as for example for a variety of coaching and interactive skills in the fields of wellness or adventure tourism. New information services for guests emerged as databases eased processing customer profiles and customer behaviour. Moreover, new forms of network organisation emerged particularly in the field of co-operative tourism marketing. They have also been enabled by using new technologies.

Demand changes

Not only supply has changed, but so have customer wants and needs. Secular shifts (working versus leisure time, population pyramid, individualisation, increasing demand regarding quality) led to modified leisure and tourism behaviour (Poon, 1993; Horx, 2002; Foot, 2002; Bieger/Laesser, 2002, Weiermair 2003). New life styles appeared through flexible working times, higher incomes, more leisure time and the changing value of holidays (now seen as a part of life).

Basic driving forces for the availability and quality of basic service quality elements are punctuality, accountability, convenience, speed, and price. All other elements like aesthetics, individual attention, and multiple options are secondary elements, which are considered as added features. But these secondary elements in particular create a special “value for money” for the customer.

Customer orientation plays a fundamental role in service innovation. Valuable information can be gained from the behaviour of the customer during the service process. As the customer is highly involved in the production of a tourism service, enterprises have to adjust to the changing interests and values of their guests. New products which offer a special or unique value to the customer are more successful than innovation without the consideration and participation of the client. Hence, innovation leads to higher market shares, a higher efficiency

and easier realisation of aims regarding turnover or profit (Hübner, 2002).

Competition

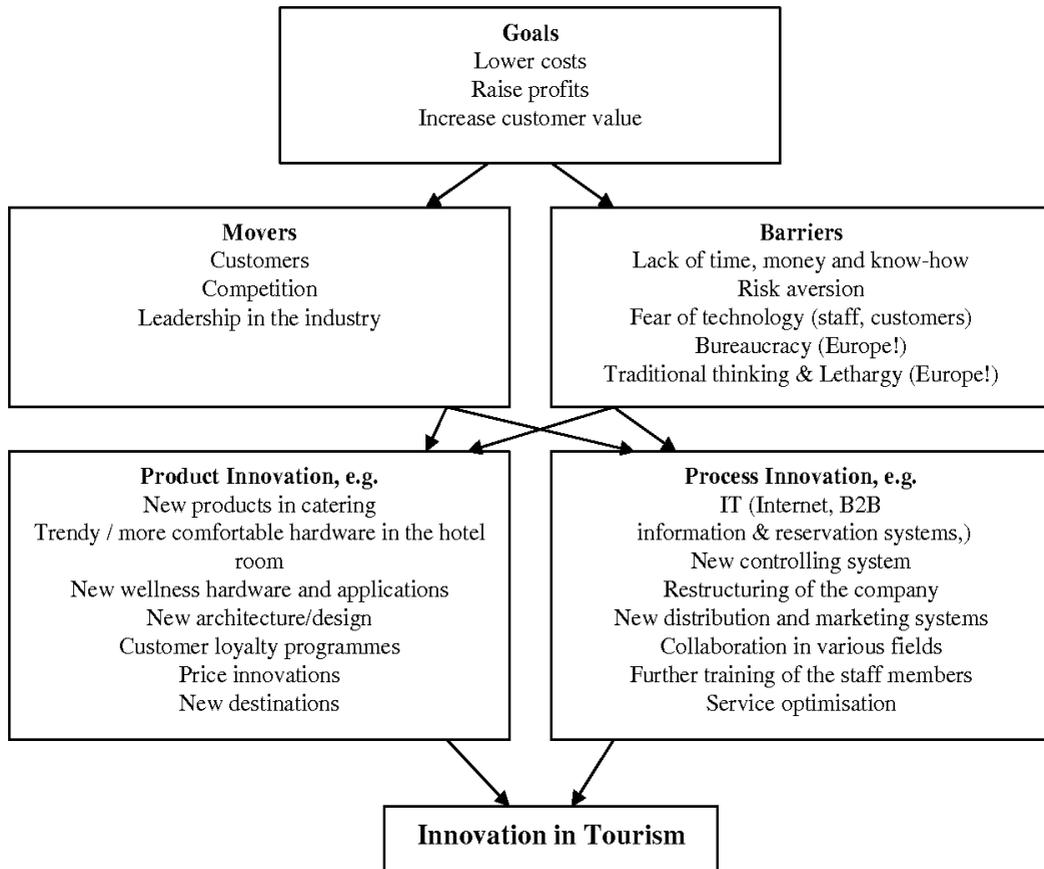
Many parts of the tourism industry but notably such businesses as transportation, airlines, hotel chains, tour operators and/or car rental agencies are highly concentrated and act as global players in the industry. With the maturity of markets, heightened technological change in the IT field and the slowing of demand, in many parts of the industry rivalry has turned into ruinous competition.

Globalisation and deregulation have further heightened competition. Similar to other fields of economic activity these market conditions enhance process innovation (networking, reservation and yield management systems, etc.) as opposed to product innovation which can be easily imitated by rival competitors (Weiermair et al., 2002).

Innovations in Tourism & Hospitality industry

The tourism and the hospitality industry needs to embrace innovation while at the same time controlling the quality and the impact of the innovations. Successful innovation can be profitable to the tourism and hospitality firms in a competitive market. Once the tourism and hospitality sector embraces positive innovative aspects, it most likely to lead to increase the value of the product or tourism experience, higher market shares, higher efficiency, and easier realization of aims regarding turnover or profit. As such, the government should provide an enabling environment to enable companies carry out inductions and refresher courses to enable company staff embrace these innovations. Similarly, there should also be new controlling systems and restructuring of the company to embrace the change, See the figure below:

Innovations in Tourism



Source: Hjalager 2002, p. 467

Over time, innovative tourism and hospitality entrepreneurs have been guided by demand and supply drivers. As such, innovative tourism and hospitality enterprises demonstrate their compliance by adopting; a room lighting system with sensors and use of low-consumption bulbs, use of renewable energy systems, such as solar thermal panels, water-saving and water-quality measures, flushing-saving devices, use of water-reduction systems in bath-rooms, promulgation of a system of ‘eco-labels’ for hotels and apartments that adopt environmental measures, online Booking and E-Ticketing, and Wildlife cards in the parks (as has been adopted by the Uganda Wildlife Authority – UWA to reduce risk of carrying bulk cash while on safari),

Innovations: Policy Implications

Innovations continue to be part of the tourism and hospitality industry. Some innovations can be disruptive in nature – thus, causing a total change in the industry status quo. Similarly, government agencies in charge of quality assurance must step in to regulate and guide stakeholders’ adherence to such innovations. Nevertheless, some innovations have high

financial implications which may end up discouraging the private sector from buying-in. As such, we support the idea that governments should subsidise outright innovation on account of opportunism. Embellishment programmes should be enhanced, review of grading/classification criteria, Introduce review pro- and mystery shopping along the chain.

Empower the market as much as possible and only intervene when there is market failure.

Support the innovating firms in question to achieve economies of scope and seek innovation through co-operative alliances and other forms of networking

Reduce the government's role to a facilitator, coach or incubation partner, who turns prototype developments over to the private sector as soon as innovation activities have been carried out (e.g. the development of the travel reservation and information system in Uganda.

Voluntary initiatives and self-regulation mechanisms must supplement -- not replace -- local government regulations

Development of policies for promoting SCP patterns disincentives for unsustainable practices and incentives for more sustainable practices

Research on appropriate measures for promoting quality assurance innovation practices in sustainable tourism development and to clarify further the concept and definition of sustainable tourism and of ecotourism products.

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