

THE ECONOMIC IMPACT OF INNOVATIONS IN TOURISM AND HOSPITALITY

¹Davronov Istamkhujja Olimovich, ²Ruziev Sobirjon Samatovich, ¹Ergasheva Aziza Farmanovna,
¹Kadirova Shafolat Khabibulayevna, ³Nurov Ziyodulla Saymurodovich

¹Lecturer, Department of Tourism and Hotel Business, Bukhara State University, Bukhara, Uzbekistan.

²Associate Professor, PhD, Department of Tourism and Hotel Business, Bukhara State University, Bukhara, Uzbekistan.

³Senior Lecturer, Department of Economics, Bukhara State University, Bukhara, Uzbekistan.

E-mail : moukhs_kh@mail.ru

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Abstract

Nowadays innovations are an important factor in the economic competitiveness of firms. The study of innovations in the services sector is still in its infancy, and the first studies appeared only in the late 1990s. That's why this factor becomes even harder when it comes to hotel and travel companies. Tourism is currently one of the most promising industries in the world, and now it is necessary to better understand innovations in this sector. This research aims to address a common question: how to explain innovations in the field of hospitality and tourism, its impact.

Key words: hospitality, tourist services, tourism industry, innovations, hotel companies, cost of innovations.

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INTRODUCTION

Currently tourism industry has played a major role in the economy of most important industrialized regions. Innovative technologies and types of businesses have changed the content of the environment. Innovative services "mean something new in the way of life, organization, timing and placement of what can usually be described as individual and collective processes that relate to consumers". Research in the field of innovation in the services sector has evolved from a global point of view to the prospect of differentiation, portraying it as something different from product innovation and, finally, a transition to a synthesis perspective. Establishing or building up a travel industry includes consumption just as increases, expenses, and advantages. In this reason these effects are contemplated from the start of arranging, qualities and openings can be amplified while shortcomings and dangers can be limited. Every goal will be distinctive as far as the travel industry attributes. The expense and advantages of the travel industry will differ in every goal and can change after some time, contingent upon the travel industry and different exercises in a goal's nearby and local setting. The connectivity perspective emphasizes the need for an integrated approach to innovation, which addresses both technological and non-technological aspects.

MATERIAL AND METHODS

Innovation can be measured in different ways. Based on a business vocabulary, innovation is a method of translating an idea or invention into a product or service that establishes value or for which customers will pay. To be called innovation, an idea must be replicated at economic costs and must meet specific needs. Innovation means "deliberate use of information, imagination and initiative in obtaining large or different values from resources". Innovations are launched in new products, new services and new processes that arise in these new combinations. But in order to come up with these new combinations, someone must have fresh ideas. Changes in tourism practice can bring significant benefits by motivating changes to greater resilience in the supply chain of tourism and other sectors. Prosperity in the hotel business is no different: hotel innovators are involved in the creation of hotels where, in their opinion, the benefits will be directed towards industry; hotel chains are developing a distribution stage that provides new customer benefits. Innovative technologies and types of business have

changed the structure of hospitality and tourism. Examples of such innovations are telephone keys, mobile self-service, online booking with telephones, self-service kiosks, devices for lobbying media panels, electronic baggage tags, bring with them their own device, smart - phoning boarding passes, hotel services optimization systems, tools for connecting devices for guests, voice telephones via Internet protocol, which are interconnected with the ecosystem of the hotel, various devices for recognizing guests, the tablet menu and systems table booking, to name a few. These innovations can take place on the first line of service, where customers watch for innovations or can work in the backend and be "invisible to consumers". In some hospitality services, guests interact with the latest gadgets in the hotel lobby or use their own mobile devices to make dinner plans or other services. Innovations in the hospitality and tourism industry are among the locus of innovative service modes that are different from product innovations. As a result of constant innovation, service companies improved the quality of their service and offered more individual experience. This is done by predicting the needs and requirements of customers, increasing loyalty through various programs, expanding the customer base while reducing unused capacity and increasing efficiency and productivity. Service innovations determine how to create and deliver greater value to customers through technology or processes. It includes continuous improvement and optimization of ideas for empowering employees, shareholders and consumers. As a result of innovation, a new customer experience has emerged.

In this article induction, deduction, analogy, comparative, economic analysis, observation, comparison research methods are used. The tourism business does obviously have various explicit qualities which can impact the innovation procedure in manners that are both positive and negative. The tourism industry is best characterized on the interest side. It has heterogeneous and transient modern structures. The travel industry is essential to numerous areas of the economy. Also, it has a characteristic geographical measurement. It is an industry where the place assumes a significant job as co-maker. Innovation can flourish in the tourism industry, yet just in places of the best conceivable rivalry that make the reestablishment of existing structures conceivable. These structures should be either grown further or altogether supplanted. New structures are required, of a sort that will expand profitability and

development. Governments must not endeavor to devise counter-gainful laws and guidelines to thwart the unavoidable procedure of rebuilding.

Bilgihan, A., & Nejad, M. (2015). focused on Innovative technologies and business models have revolutionized the hospitality and tourism industries. Examples of such innovations are phone-as-key-cards, mobile self-check-in, mobile booking, self-service check-in kiosks, lobby media panels, electronic luggage tags, bring your own device, bring your own content platforms, smartphone boarding passes, hotel service optimization systems, guest device connectivity tools, voice over internet protocol phones that are interconnected with the hotel's ecosystem (e.g. phones in the guestrooms that guests can use for ordering room service directly from a touchscreen and housekeeping can use them to put work orders and the system directly communicates with corresponding departments), wearable devices to identify guests, tablet menus and table reservation systems to name a few.

Grissemann, U. S., Pikkemaat, B., & Weger, C. (2013) The results of the their study revealed five firm-internal dimensions influencing innovation behavior: Employee engagement, customer engagement, information technologies, innovation management, and innovation networks.

RESULT AND DISCUSSION

The motivation behind an innovation arranged the travel industry strategy is to improve profitability and animate development. Over all it must contemplate the inventive intensity of the market. The travel industry must be characterized as far as interest, which is, as it were, impacted by financial change. As far back as the modern unrest social advancements, for example, paid occasions and the rise of a recreation and experience society have affected the improvement of the travel industry markets, items and structures

An innovation arranged the travel industry approach needs to fret about the assets that animate the procedure of development. These incorporate what are known as "advancement creation systems". These systems advance a soul of big business and the improvement of new plans of action, pulling in extra venture for the recharging of hardware and establishments.

At last one must not overlook that the travel industry development procedure happens in a given area. There are various exogenous and endogenous components which impact this procedure.

It is not the level of development an economy has already achieved that determines its future success. Economic growth depends far more on a country's willingness and ability to constantly call itself into question and adapt to changed circumstances. In this context innovations not only lead to the creative destruction of existing structures. They further develop and complete the offer that already exists in a given economy. They thus have an effect which is cumulative.

A steady flow of innovations thanks to constant investments in research and development produces disproportionately high growth in the gross domestic product (GDP). Innovations thus have the power to speed up the rate of growth. Innovations also have the nature of public goods, since thanks to a process of dissemination via imitation they tend to benefit the entire economy rather than just individual companies.

The "spirit of big business" is a significant asset for the procedure of innovation. As the different parts of the travel industry arrive at development spearheading organizations become an irregularity. Business openings are looked for in new divisions and markets. Business enterprise as an asset diminishes. In such conditions crucial developments are not out of the ordinary.

Innovations become a matter of little advances, some portion of a procedure of "input".

One innovation prompts another, delivering marginally improved items and increasingly productive procedures The innovation procedure in this manner turns out to be simply one more part of the venture procedure. Most parts of the economy dispatch new items which add to client utility every year. It is underestimated that car producers specifically should turn out with better than ever models for all intents and purposes on a yearly premise.

The travel industry items and services don't profit by a comparative culture of advancement the greater partnerships incorporate assets for innovative work in their yearly spending plans and make divisions to make innovation a matter of schedule. They ensure these advancements with licenses and recover the expense of the development procedure through syndication rents.

In the hotel business, there are significant five components where development is happening. It very well may be item and administration advancement, process development, coordination development, showcase development or institutional development.

Item and administration advancements: For economic development and to accomplish amazing main concern, it is required vital improvement in the field of item and administration development.

Procedure Innovations: better approaches for administrations are making by the hotelier to offer to the clients. In the novel assistance conveyance process, clients are likewise mulled over for new job. Lodgings redesigning their progression of work process with receiving innovation, as computerized administrations for front and back office. Due to the procedure advancement there is improvement in the effectiveness in the conveyance of administrations to the client.

Procedure Innovations in Information Handling (Logistics Innovation): The progressions of data in the association are currently getting quicker. Because of occupied timetable of visitor, hotelier is giving finished data in the web with the goal that it will be simpler for them to book a suite from a solitary window. Presently hoteliers are overseeing inventory network association with voyaging specialists, dispatch administrations, and the travel industry so it will be helpful for visitor.

Market Innovations: Promotional exercises assume a significant job for any firm. To associate with the clients, presently hoteliers are embracing new methods of correspondence. Making key organization with the travel industry and trip specialists, together advancing co-brand esteems.

Institutional developments: There is a rise of inventive methods for giving financing backing to the association's speculations. Firms need spending plans and capitals to present new items, special advertising, and coordinated effort with potential accomplices.

In the furious challenge, firms need to embrace very much created showcasing methodology. Building visitor unwaveringness, giving more noteworthy consumer loyalty, associate with the client feelings, procuring the high estimation of visitor experience, embracing most recent patterns in the lodging, are the significant components that a hotelier should concentrate on for deliberately improvement of market activities.

How a visitor is treated by a hotelier is generally significant. Visitor is constantly fulfilled by the individual consideration by the staffs of the lodging. Be that as it may, it is contrast from individual to individual. For various age gathering, diverse sort of consideration is required. Model, kids incline toward hardware more than the individual consideration and they demand their

folks to go such spot. For personalization, devotion programs offer an incredible chance to welcome increasingly number of clients. Corporate projects are not exclusively to regard the visitors as individual yet in addition to associate with their most significant clients getting more chances.

A visitor has constantly anticipated from lodging that "give me an encounter ". While making a trip to another spot, visitors are looking for more exercises. Clients are expecting for shock encounters that would be bigger than their contemplations and sentiments and interface with their faculties. In the client unwaveringness program, hotelier ought to be increasingly centered around how to interface with feelings as opposed to on normal, motivating force based offers. More often than not, clients go for the travel industry and incline toward lodging administrations. Essentially movement based travel gives rich enthusiastic encounters, which can be elevated by the hotelier to pull in clients. Presently a day there are different action based travel patterns are empowering in the market. It tends to be social club, on the grounds that on an excursion now more individuals like to go theater, visiting notable locales or enjoy instructive exercises. The buying influence of the clients is expanding with the development of economy and henceforth they even wouldn't fret to pay additional cash to get quality things. Experience the travel industry is additionally one of the action based travel patterns. The fundamental focal point of this action based travel is to remain lean and green by going to renowned stops, climbing, and partaking in other experience exercises. Remembering this, presently hoteliers are offering simple vehicles in moderate cost or in allowed to the visitor to investigate the spots close by. Individuals go for legacy the travel industry additionally to commend any popular territory, network or verifiable spot.

The impression of the individuals about the cost have changed and due to the here and there of monetary diagram they are more worry about the item and quality for which they are paying. In this way, individuals are looking at the worth what they are getting and what they are paying. In any case, the most significant worry for hoteliers is to build an incentive with a similar value which required advancement in item, procedure, coordination, and promoting correspondence and institutional. There are for the most part five elements which make an incentive to a client while remaining at lodging as given underneath:

Visitor room structure: Hotelier can make development in the visitor room configuration as far as size of the room and solace level. Staffs of the inn should focus towards tidiness of the room other moving zones of the visitors. Room of the visitor ought to be adorned with the exemplary types of gear. The lighting framework, blinds and the game plan of the excitement ought to accord the flavor of the visitor.

Physical property: The inside and outside design of the inn likewise makes an incentive to a lodging.

Relational Service: The staffs of the lodging need to show administration invitingness, additional mindfulness to potential clients. The conduct of demonstrable skill and individual acknowledgment from representatives is valued by the visitor every one of the occasions. These characteristics carry grin to the visitor face and spread positive words about lodging.

Practical Services: Everyone expect productivity and administration speed from representatives of any inn or in any firm.

Food and Beverage related assistance: This is the most significant factor which is much of the time recalled by the visitor to recognize the lodging experience Food and drink is the fun part and social side of client remain. So it's very need to use in nourishment and refreshment of the inn, as far as its quality and

its fervor, to make an incentive for visitor. Quality nourishment ought to be served in a charming climate.

Research on tourism innovation is also in its infancy. Various reasons lie behind a small amount of research in this sector. The meaning of the tourist product as a combination of a number of elements complicates empirical research. In fact, tourism products may include tangible and / or intangible elements. For example, a destination can be built like any of numerous suppliers, such as hotels, restaurants, travel companies / agencies, car rental companies, tourist guides, etc. In addition, tourism is not just a production of goods or services. Several intangible characteristics are embodied in people as individuals.

Amabile (1996) defines innovation as successful implementation of creative ideas in any organization or company, and believes that creativity of an individual or a group is the starting point of every innovation. According to the same author, innovation is important because of several reasons:

- lifestyle is changing rapidly and therefore the development of innovations should be adapted to it,
- innovations that manage flexibility are part of the creation of agreements regarding operation of enterprises. Innovations thus require originality, flexibility and creativity. Hall and Williams (2008: 6) distinguish three types of innovation:
- Incremental - does not require adjustment of the market or new technology, but is manifested as improvement or business growth e.g. reducing waste in the hotel kitchen, acquisition of new cars in a rent-a-car company
- Distinctive - typically requires adjustment of demand and eventually of company organization e.g. an improved system of purchasing plane tickets at a discount.
- Breakthrough - involves a new approach to consumers, new technologies or a new organizational structure e.g. self-check-in or e-tickets

The degree of improvement previously come to by a nation assumes a less significant job than the alleged innovation creation systems. These assistances to take out the obstructions to advancement and to make innovation forms a matter of schedule. This is a helpful method for improving the travel industry's poor work efficiency innovative business people, all around prepared directors and masters, area explicit learning and the help of innovative work - these can make the system conditions expected to improve existing structures and take full bit of leeway of the endogenous development capability of goals.

Training makes customized information as human capital. This is viable basically in the long haul, and like individual responsibility and diligent work is just a variable, though one which improves the profitability of work. The present pattern towards formal instruction and an increasingly scholastic way to deal with the travel industry specialization is of questionable advantage. "Learning at work" and "hands-on preparing" are significant in a segment like the travel industry where there is a consistent need to enroll new staff. Likewise, significant is the student's proximity to the market.

Innovation creation components likewise incorporate the generation and scattering of information that is accessible outside the endeavor. Profitability increments when an organization can partake in a learning pool, either at the branch level or the degree of the national economy. The spread of learning advances development and guarantees that usage can occur in little advances. It is frequently hard to recognize what is advancement and what is just item improvement in goal situated the travel industry.

The travel industry ventures can't depend on the contribution of uncommon research divisions, as they can in the preparing businesses. As a rule, the innovation procedure has not been

made a matter of routine in the travel industry. In the travel industry inventive, fruitful contenders at the item level will before long wind up being imitated.

At the procedure level advancements will in general be re-appropriated. Impersonation and re-appropriating are the most significant methods for spreading advancement in the field of the travel industry Imitation can pay profits. It is conceivable to acquire imaginative parts from the items and procedures of contenders and to further enhance them.

This is known as “inventive impersonation”. The upside of this procedure is that the best piece of the advancement and

execution expenses are borne by free pioneers or especially imaginative goals. Creative applications in the travel industry in this manner go connected at the hip with a “free rider” issue.

Much of the time the redistributing of developments is dealt with by firms of advisors or scholarly specialists who have practical experience in applications for the travel industry related segments of the economy. Their spread is accordingly probably not going to be orderly. The trigger is probably going to be operational or money related troubles at the corporate level. On account of goals the developments for the most part include collaboration between different specialist co-ops.

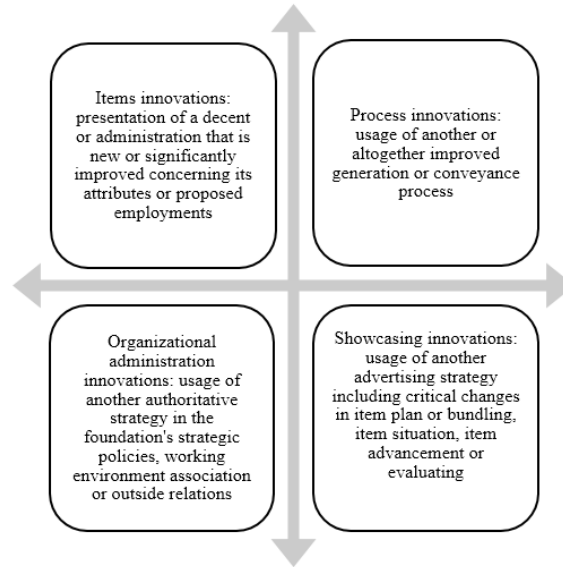


Figure 1: Depending on this characteristic we can define in the next stages

Innovations are significant for the improvement of a travel industry, which is named as a service Tourism includes travel for recreational, relaxation or business purposes. Delivering and promoting the travel industry items isn't equivalent to creating and showcasing mechanical items. The distinctions include: a) sells encounters which are entirely elusive; b) the test in items the travel industry creates and encounters can't be put away (concurrent generation) which displays a recognizing item and procedure advancements; c) the utilization of the travel industry includes the dynamic cooperation of the client; d) the high data substance necessitates that data and correspondence advances assume a focal job in the development exercises of administration firms, in this way making it hard to ensure advancements with strategies, for example, licenses; e) human assets assume a key job in the association and conveyance of administrations which calls for satisfactory interest in the improvement of those HR; f) the travel industry creation/advertising may regularly include real capital dispersion and last utilization stage may frequently require communication of various faculty classifications(Fig-1).

CONCLUSION

Innovations alludes to the way toward bringing any new, critical thinking thought into utilization. Thoughts for redesigning, cutting costs, placing in new budgetary frameworks, improving correspondence or collecting items in groups are additionally developments. Innovation is the age, acknowledgment and execution of new thoughts, procedures, items or services.... Acknowledgment and execution are integral to this definition; it includes the ability to change and adjust. One of the better known meanings of is the presentation of new items, new creation strategies, new showcases, new providers or setting up new authoritative structures of any business. Moreover, the general

advancement is the all-out procedure of certain interrelated “sub forms”, and that advancement isn't generally the idea of execution of new thoughts, the creation of another gadget or the improvement of new advertises, however the total of all exercises of these procedures. Advancement, as per one hypothesis, is the “purposeful curiosity that brings practical advantages”. These advantages might be legitimately money related, or speak to an expansion in quality and wellbeing. An advancement is maintainable when, at any rate in the medium term, accomplishes the arrival on ventures alongside an expanded business dependability. In this way, developments are deliberate, they are not brought about by an outer “power majeure” (for example changing economic situations, unexpected change in enactment or a social or a cataclysmic event). Advancements are the consequence of innovative work capacities of the individual (trend-setters) or sorted out gatherings of specialists.

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