



How destinations arise using open innovation

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Imagine the last time you traveled. Think about what made you choose a particular destination. How did you book your stay and what platforms did you use? Think about the infrastructure in the area. How did technologies solve any issue you faced during your stay? What did you do to enjoy your time there? What felt personal and where did you need to go to ? All these aspects you just thought about are different touchpoints of a traveller's journey and when they work seamlessly, they create a great destination.

ACKNOWLEDGEMENT



EXECUTIVE SUMMARY

One of the ways that enable a seamless customer experience today is the use of applications. On average, a person utilizes over ten different mobile tools during a single trip¹. This trend indicates how the tourism industry consolidates various components through technology fulfillment in the journey of a traveler. A destination, however, requires an integration of various other aspects that are built through complex systems for holistic delivery of visitor experiences. To address the ever-changing market landscape, new approaches are needed. Open innovation, a tech-intensive and now a rapidly growing multi-industry practice, can empower tourism and hospitality businesses to unlock their full growth potential. Its multifaceted nature, fostering both internal, external collaborations, along with clearly defined strategies and measurable returns, make open innovation a sought-after approach.

The travel sector experienced significant inflection points catalyzed by the COVID pandemic in 2020-2022. Therefore an understanding of its overall economic significance, trends, and nature of consumer behavior establish new benchmarks of both challenges and opportunities ahead. With this context, the paper introduces a set of tourism-centric open innovation ecosystems to drive the creation of world-class destinations. This can be achieved by connecting siloed businesses through industry value propositions, business models, innovations and collaborative areas.

Unlocking the full value of open innovation in tourism, necessitates a shift in both collaborative culture and business practices. We will illustrate its compelling opportunities with use cases, industry insights and practical areas for joint value creation. Some of these areas are in product development, improved services, technologies, food, sustainability and academic-industry collaborations. We will also introduce frameworks that demonstrate how businesses can optimize collaborative offerings and develop novel business models. As such, new revenue streams can come by sharing resources and expertise with processes like 'inside out' and 'outside in' that many companies use. The future of tourism, like other sectors, faces several challenges. However, open innovation can create pathways to address through a focus on collaborative problem solving.

¹ On average, travelers use 10 to 12 apps throughout the searching, booking and traveling parts of their trip , a study done in 2018, 'Nearly two-thirds of travelers rely on mobile apps during trips' Hotel Management.Net and 67% of consumers projected to make their travel bookings online in the year 2024 (EHL Hospitality Industry statistics to have on your radar 2024)

INTRODUCTION TO OPEN INNOVATION

Open Innovation has been used for over two decades in new product development, new market expansion, formulating new business models and driving revenue growth, as evident in various company success stories. Industry

“Open innovation is the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively. This paradigm assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as they look to advance their technology.”(Henry Chesbrough)

giants like IBM, Amazon, and P&G have embraced this approach and have gained from it (Open Innovation Results, Oxford 2019). A recent study in 2023 by Capgemini captures promising data. In this study, 75% of companies see **open innovation as ‘critical’** to addressing complex issues in their businesses; 55% say that it has led to increased speed of innovation; and 62% say it has led to greater employee agility and adaptability. Major FMCG corporation Unilever positions that 70%

of its future innovations shall arise from collaborations, given the scale of global challenges such as climate change, broken food systems, and discrimination (The Power of Open Minds 2023).

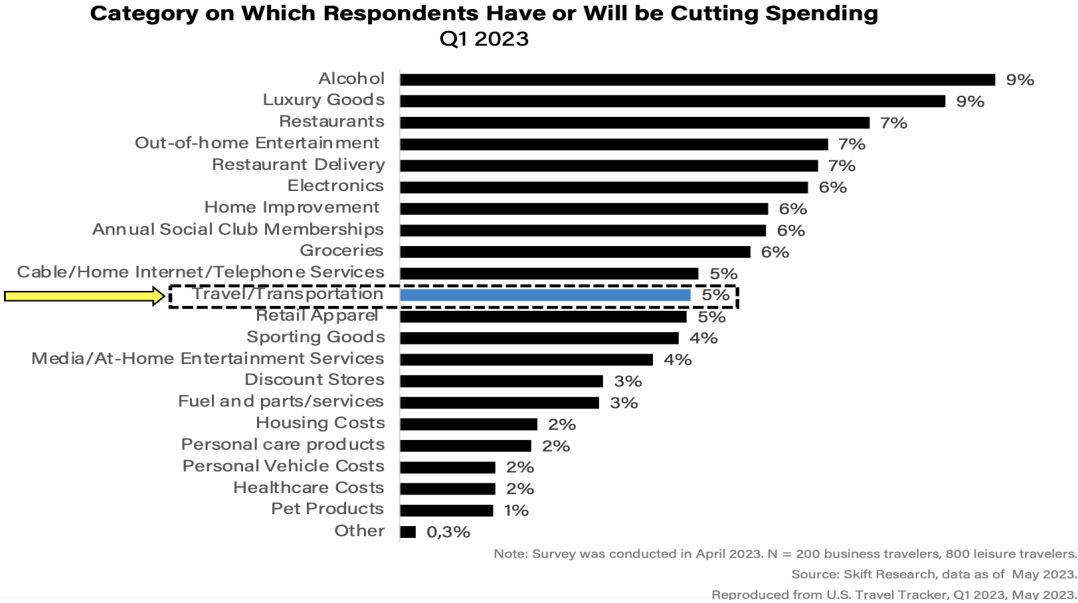
Companies have successfully utilized open source solutions, open platforms, and open data to enhance accessibility, decentralize resources and untie internal capabilities. Similarly, tourism enterprises must embrace this approach of opening up their units of R&D, innovation or existing operating models to collaborate. This shall allow a wider external base of users to harness their technologies, products, or services. With almost every country positioning itself as a desired destination, collaborative innovation becomes imperative for creating new economic value and competitive advantages. Take for instance, the burden of waste generated at tourist sites and what could be the new ways that it can be addressed.² Not all solutions can come from within an organization, therefore scouting for them from outside expertise can spur the development of effective solutions, leading to unexpected breakthroughs.

² Meghalaya uses AI-enabled tech to clean up tourist hotspot Umiam lake, retrieved from <https://economictimes.indiatimes.com/news/india/meghalaya-uses-ai-enabled-tech-to-clean-up-tourist-hotspot-umiam-lake/articleshow/103320261.cms?from=mdr>

ECONOMIC SIGNIFICANCE AND KEY TRENDS AFFECTING TOURISM

The travel industry has rebounded since the depths of the COVID-19³ pandemic and forecasted to reach a staggering **\$5.8 trillion by 2027**(EHL Insights), setting to create **430 million jobs by 2033** (Statista). Trends also suggest that there is a demand from customers for new experiences, creating a myriad of opportunities for business innovation. Deloitte indicates that travelers increasingly **prioritize ‘experiences’** over material possessions, driving the demand for innovative hospitality concepts and services (Global Millennial Survey 2020). A generational shift is shaping the travel market with Euromonitor's survey revealing **millennials** (aged 30-44) as the dominant force within key travel segments, including Wellness Worshipers, Leisure Seekers, Luxury Seekers, and Digital Travelers. This trend underscores the evolving preferences and behaviors of today's travelers.

Figure 1:



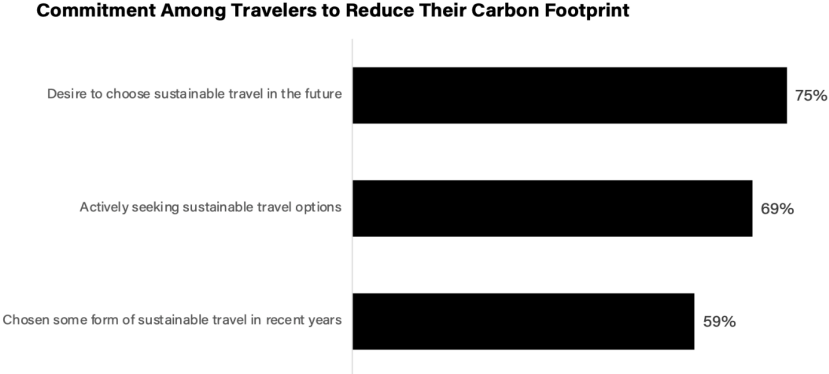
According to a Skift Research report from 2023 (Figure 1), of a survey of 1,000 travelers, 60% indicated that inflation would influence their travel plans, but would prioritize travel over luxury items, dining out, home upgrades, and electronics. The second most popular reason for leisure travel is demand for experiences through immersion in different cultures, foods, and lifestyles

³ In 2019, travel and tourism represented 10.4% of global GDP, while in 2022 it was 7.6%, an increase of 22% from 2021 and only 23% below 2019 levels (WTTC). The forecasts for 2027 reflect a robust compound annual growth rate (CAGR) of 5.5% (Global Hospitality Market Report 2022).

(Bloomberg Media 2023). 86% of millennials prioritize **cultural immersion** while traveling, underscoring the importance of authenticity (60%), which represents a significant shift from non-experiential travel (Westword Uni Online). Millennials' market share is substantial and growing. For a record, they constituted 45% of AirBnB customers in 2022. With the **rise of experiential travel**, companies need to look at this opportunity to leverage collaborations to meet the ever-demanding customer experiences. There is an opportunity for **cross-industry collaboration to drive innovation** and growth and to help hospitality firms adapt to meet evolving customer expectations. This could involve partnerships with technology companies, energy, logistics, cultural institutions, and other sectors to enhance customer experiences.

Sustainability has Maintained Its Importance

The pandemic's impact on people and industries has sparked introspection regarding their environmental and societal impact. As per a study conducted by the World Travel and Tourism Council, majority of travelers are seeking and choosing sustainable travel options.



Source: Euromonitor International, from WTTC: A World in Motion Shifting Consumer Travel Trends in 2022 and Beyond, 2023, retrieved from State of Travel 2023, Skift

Areas like **sustainability** are also emerging as a rapidly growing area for customers and industry. A staggering 73% of global travelers now say sustainable travel practices are important to them (Booking.com, Sustainable Travel Report 2023) with more specific metrics as 67% turning off their air conditioning when not in use, driven in part by cost reduction needs, 60% reuse towels for similar reasons. Today, 500,000+ accommodations globally are being recognized for their sustainability efforts with a Travel Sustainable badge on Booking.com. Those who have embraced it earlier are able to differentiate themselves in a crowded market, further discussed in the later sections of the paper.

OPEN INNOVATION IN TOURISM

Destinations and tourism businesses aspire for sustainable growth. However, achieving this goal requires differentiation. Destinations must offer unique experiences that stand out and resonate with travelers over time. This is where open innovation shines.

Figure 2 illustrates how companies and startups unlock greater growth and diversity of consumer benefit, for both themselves and for the destinations they serve, by engaging in open innovation. From our research, we have found that open innovation allows these firms to harness a wider range of resources and deliver innovative experiences to widen the firms' customer base and increase customer loyalty.

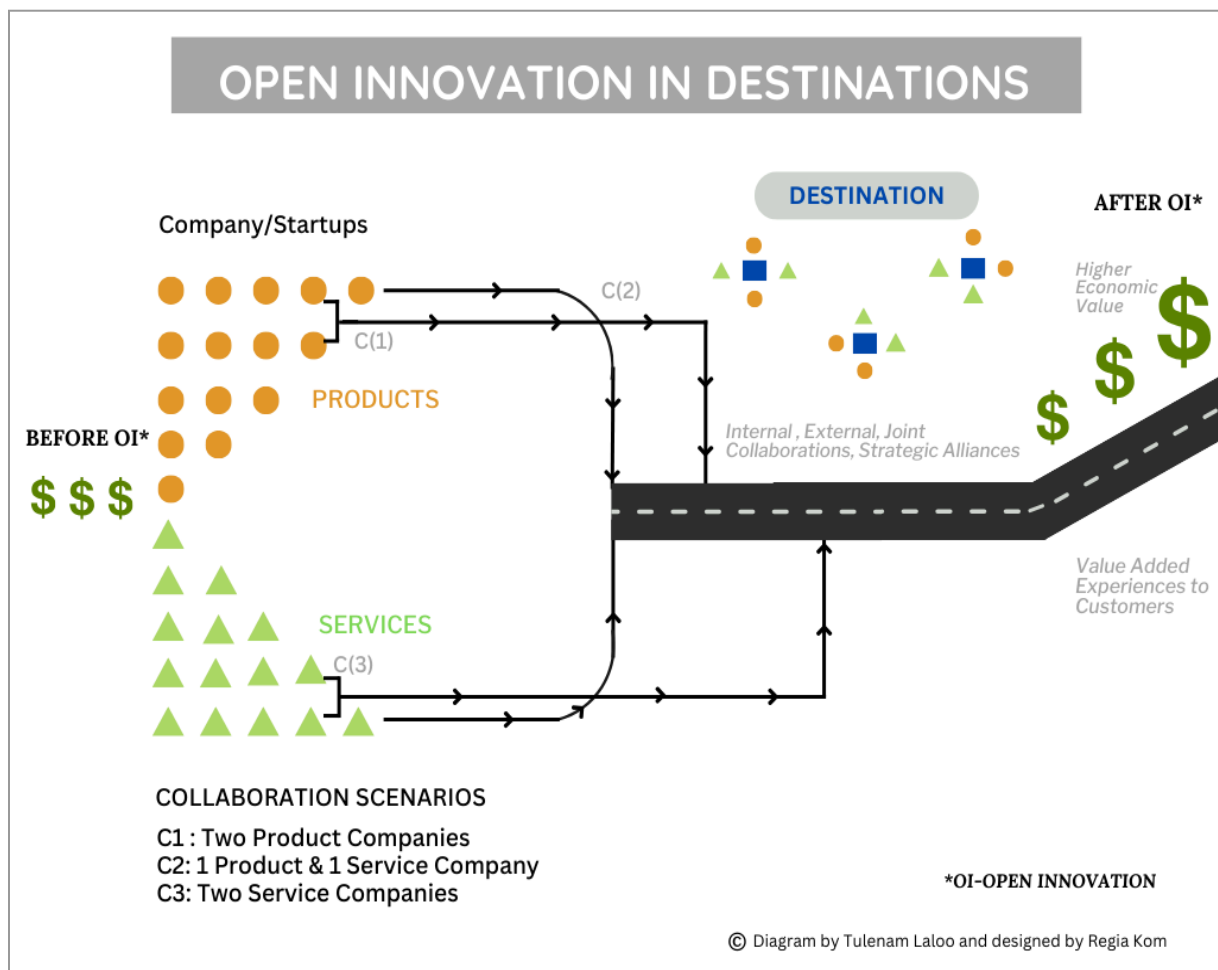


Figure 2: Application of open innovation through intersection of multiple types of collaborations for products, services, technologies, expertise, etc of companies to create or enhance new experiences. Destinations gain through improved offerings-capturing an increased tourist market and higher economic growth value.

Hospitality industry leaders like Marriott and Accor have already begun to adopt what is now called **'open hospitality'**⁴ through data and predictive capabilities for more effective business decisions. Emerging areas like **'hyper-personalization'** and contextualized guest engagement can support data to be utilized for improving guest experiences (Forbes Technology Council). In terms of spatial opportunities, hotels can augment revenue and income generation by enabling open innovation. For instance, hotel assets which offer co-working spaces not only can increase their turnover by up to 20% (EHL Insights) but also create opportunities for further collaborations.

The creation of novel customer experiences has been an essential function of the travel industry. Traditional innovation of tourism companies was based on blue ocean strategies. Long-standing industry players have consistently employed it to tap into the demand for fresh and unique experiences. Differentiation, as a driving force, has paved the way for the development of new products, services, and destinations. The **World Tourism Forum Institute** (WTFI) echoes that many developing destinations face fierce competition from other destinations, both within and outside their regions. To attract and retain tourists, they need to differentiate themselves from others by offering innovative and competitive products and services that meet the changing needs and preferences of tourists.

An interview with **Cirque Du Soleil (CDS)** provided supporting insights. The company gave customers a new form of **entertainment** through contemporary circus performances that built itself through blue ocean strategies. Over time, it has used external and internal collaborations to innovate and be market relevant. For example, they built external opportunities with MGM Resorts in Vegas and Disney in Orlando for entertainment experiences. They have also harnessed local partnerships all over the world to market their shows. Internally, they thrive on the intersection of almost hundred nationalities to embrace collaboration at their Creative Center in Montreal to innovate their shows. Reinvention is the lifeline of their offerings-to be creative to the greatest extent and not repeat on content.

On the other hand, companies like **Disney** fostered a culture of collaboration early on to enhance stories, attractions and experiences. They traditionally worked with a vast network of collaborators across various sectors at their

⁴ The transition currently facing the hospitality industry is marked by plug-and-play capabilities, this transition is the move to open hospitality, Forbes Technology Council 2023

theme parks worldwide. Take for example, their long standing partnership with **Coca-Cola since 1955** (Disney Corporate Alliance 2021). Another example is their strategic alliance with **Nestle** in the early 1990s for theme park sponsorship, licensing activities and joint marketing tie-ins. Toy manufacturers like **Hasbro, Mattel, LEGO**, and others produce Disney-themed toys, action figures and collectibles sold at souvenir shops and retail stores within the parks. Apparel and accessories brands such as **Hanes, Levi's, and Nike** create clothing, accessories, and footwear featuring Disney characters and logos. Or think Disney Imagineering, which exemplifies this collaborative culture, combining creativity, engineering, and storytelling to create immersive experiences.

While experiences like Cirque Du Soleil and Disney are key touchpoints showcasing a destination's unique offerings, a traveler's journey starts much earlier. Specialized agencies and individual firms play a crucial role in playing their part, contributing to a rich travel ecosystem, which sets the **framework of how open innovation can work for tourism (Figure 3)**.

FRAMEWORK FOR AN OPEN INNOVATION ECOSYSTEM

The traveler's journey is segmented into distinct stages. Initially, inspiration is ignited through exposure regarding potential destinations through **data and information**. Following destination selection, pricing becomes a crucial factor, prompting travelers to consult various **platforms** for booking diverse travel components, such as airline tickets, ground transportation (buses, taxis), and accommodations (hotels, homestays). **Infrastructure** plays a vital role throughout the journey. While the size and type of accommodation (large, medium, or small) are important considerations, reliable internet connectivity is paramount in today's internet-dependent travel landscape. This connectivity empowers travelers to leverage a variety of **technologies**, including translation tools, navigation applications, and online payment systems, ultimately enhancing the overall travel experience. Memorable **experiences** are the cornerstone of any successful travel destination. Therefore, destinations must prioritize the creation and delivery of unique and engaging experiences for travelers. However, the journey does not culminate upon arrival and departure. Travelers are inherently curious and constantly seek new and improved experiences. This desire for innovation paves the way for the exploration of **emerging** trends within the tourism sector, such as increased personalization, augmented automation, and even dietary innovation with alternative protein sources. By analyzing these distinct stages of the traveler's journey alongside

emerging trends, a framework for open innovation in tourism can be established.

An Open Innovation Tourism Ecosystem



Figure 4: Framework to drive tourism components from the perspective of a traveler and for enterprise opportunities to partner in creating improved destinations for governments and policy makers.

Building upon this framework of the traveler's journey, we can observe a burgeoning landscape of companies offering innovative capabilities that address each distinct stage. The success of a destination hinges on various companies working together to deliver a seamless and enriching experience. By analyzing these travel stages through the lens of open innovation, exciting opportunities emerge through shared knowledge and resources, paving "**outside-in**" and "**inside-out**" collaborations. Imagine an airline partnering with a translation

app to offer real-time language support throughout the traveler's journey, from pre-departure information to in-flight communication. Similarly, a destination management company could collaborate with a restaurant chain specializing in alternative proteins to offer healthy and sustainable dining options for travelers seeking dietary innovation. Destinations can leverage the expertise of external companies, while these companies gain valuable insights into the specific needs of a particular destination. Ultimately, this collaborative approach, driven by a deep understanding of the traveler's journey, creates fertile ground for the development of novel travel experiences and increased opportunities for all stakeholders within the tourism sector.

Industry for open innovation in tourism



Figure 5: Companies and organizations aligned in these components to create capabilities for the travelers' needs

Open innovation has spurred new platforms and collaborations for **emerging areas**. The World Tourism Forum Institute encouraged industry partners to connect with diverse stakeholders to address different facets in tourism. A notable initiative is the partnership between **The Sandbox** and **TourismX**, creating Tourismverse, a virtual platform for exploring destinations. This collaboration has enabled for the creation of a new travel experience that wouldn't exist without both parties and allowed metaverse to be utilized in the tourism industry for leveraging real time utility benefits in destinations.

From metaverse to marketplace platforms, open innovation can help enterprises access resources that might be challenging for them individually. Existing booking platforms and aggregators can already be seen helping promote increased visibility and market reach for small businesses, giving improved access to resources, information, and expertise. This kind of aggregation is further required to meet the growing diversity, versatility and complexity of the industry as not all have leveraged existing systems. There is no ecosystem in developing markets to hold smaller enterprises/micro entrepreneurs together (think of it like an Amazon needed for small B2B in tourism sub-sectors for artisans, musicians, foodpreneurs, recreational facility providers, etc) as opined by the **Outlook Group**, a media company promoting 'responsible tourism' in India.

The proliferation of digital platforms and technologies in tourism hinges on **digitization**. It empowers a growing number of micro, small, and medium enterprises (MSMEs). Digitization equips MSMEs with the tools to attract customers through increased knowledge, information dissemination, and brand awareness. This visibility fosters inclusion and accessibility, allowing local entrepreneurs and communities to participate in the tourism and hospitality landscape. As illustrated in Figure 6, a multitude of technology-driven business models can serve the diverse needs of the tourism and hospitality industry. Efforts to drive this at a large scale is **Mastercard's Tourism Innovation Hub** that is working with a diverse set of parties to develop digital solutions for governments, corporations, local communities and other tourism enterprises. Digitization of products/services/experiences create vast amounts of data, which businesses can analyze to gain insights into customer preferences, market trends, and operational performance, just like how businesses gain from offerings like Google Analytics/Instagram/Linkedin. Once they go digital, hyper local tourism/experience providers can leverage the same. Encouraging digitization in the tourism industry also entails the collection of not just

tourism-related data but also data spanning various industries within each destination. This is likely to lead to the development of an extensive database encompassing local industries. Consequently, this database can be utilized to gain insights for the destination promoters/policy makers to augment conditions of local communities. Ultimately, this data will evolve into a valuable resource base, essential for all industries, extending well beyond its initial purpose of supporting tourism businesses and destinations' management (EY Insights Oct 2022).

PRACTICAL AREAS FOR JOINT VALUE CREATION

Through open exchange of ideas, resources, and expertise, joint value creation enriches the development of innovative solutions that cater to evolving business and traveler needs. This collaborative approach not only benefits individual stakeholders by generating new revenue streams or enhancing operational efficiency, but also elevates the entire tourism ecosystem, leading to richer travel experiences, more sustainable practices, and ultimately, a more competitive and resilient industry.

Industry collaborations:

Marriott's collaboration with Alibaba Group in 2017, which aimed at enhancing Marriott's presence in the Chinese market. This collaboration allowed Marriott to leverage Alibaba's extensive e-commerce platform and digital capabilities to reach a broader audience of Chinese travelers. Alibaba, on the other hand, benefited from Marriott's expertise in the hospitality industry and gained access to a portfolio of high-quality hotels and resorts. By collaborating, Marriott and Alibaba shared the costs and risks associated with market entry and expansion in China, piloting opportunities including marketing expenses, infrastructure investment and tech development, externally leveraging their mutual capabilities. The collaboration was much lauded by the industry for a smart move by Marriott to reach the Chinese market (with the highest middle-class population) and establish loyalty and brand recognition with this crucial market sooner than later (Skift 2017)

Similarly, **Hilton and Uber** partnered for integrated services and loyalty programs to introduce added convenience and reward incentives for Hilton guests (Skift 2016). Hilton avoided the need to develop its own transportation services while still providing value to its customers. Additionally, Uber gained

access to Hilton's loyal customer base, expanding its user reach in the hospitality sector. Similar is the case with **SNCF Connect**, France's leading train travel provider which wants to enhance its value proposition by offering a more comprehensive travel booking experience by partnering with **ALL, Accor's booking platform**, which then gains exposure to a wider audience. The strength of this collaboration as per a senior executive, is to give customers the ability to plan trips from start to finish (Accor Press).

No travel experience is complete without good food. One may wonder, what is happening in **food innovation**? Or how is open innovation a contributing factor towards the food industry? The alternative plant protein industry is a good use case for emerging areas in food, as informed through a discussion with **Stanford Food Design Research** center. The alternative plant protein sector is also an exemplifier of open innovation as it encompasses multiple areas of collaboration for product development. Encompassing areas such as medicine, biology, chemistry, food sciences, technologies, nutrition, bioprocess engineering, etc. Support to promote joint value creation and collaboration is also vehement, in the case of **IndieBio**, a bio-tech accelerator program. It is a scalable example of a melting R&D ecosystem for many food innovators. IndieBio has been playing a crucial role in nurturing and accelerating the growth of alternative protein startups by providing them with the resources, expertise, and support they need to succeed in this rapidly evolving industry. Industry organizations like the **Good Food Institute (GFI)**, also continue to strengthen areas like market development for hotels, restaurants, airlines, and catering companies for alternative plant protein consumers. GFI also provides consumer awareness to create demand and access to knowledge to help in product innovation- leading to the creation of more appealing and sustainable options for the hospitality industry.

CGH Earth is one of the pioneers of hospitality in Kerala-one of the first few states in India that developed tourism for both foreign and domestic markets. According to the company, right from the initial period, the ability to be sensitive to natural resources is a central feature of tourism and hospitality experiences. They have nourished this belief early on and the company stands out in the market. Over time, CGH has utilized open innovation to leverage asset light models with other partners while creating novel experiences like heritage by giving access to local artisans to utilize their assets during the lean seasons to attract customers to visit them.

Industry- academic collaborations:

Research collaboration between universities and hospitality businesses can unlock significant opportunities. Travel markets face numerous challenges like climate change, digital transformation, and evolving customer preferences. By working together, universities can provide academic expertise on these issues, while hospitality businesses contribute real-world experience and data.

A prime example of this broader impact lies in **Les Roches'** collaboration that extended beyond the travel sector. In 2012, they partnered with a local golf club, St Andrews in Scotland, to assist with a major golf tournament. Through applied projects, Les Roches students recommended strategies to elevate the club's brand through innovative technologies and sustainable practices. This successful collaboration highlights the diverse range of industries that can benefit from university partnerships. Les Roches later launched a Postgraduate Diploma (PG) program in Golf Management that reflects this broader reach. The program is aimed to equip students with a variety of hospitality-related opportunities, from management roles to finance, marketing, merchandise, food and beverage, agronomy, mechanics, transportation, human resources, and even the teams behind major tournaments.

Establishing strong linkages between academia and industry cultivates a culture of theory utilization and co-creation of solutions that are relevant and impactful. Companies and startups stand to gain access to expertise, often leading to the development of innovative solutions and best practices that can address industry challenges. Hilton collaborated with **Cornell's Center for Hospitality Research**, to gain access to academic research in revenue management practices, pricing strategies, and demand forecasting techniques (Kimes 2017, Center for Hospitality Research). Similarly, Airbnb gained insights into regulatory frameworks, public policy issues, and stakeholder engagement strategies to drive competitiveness through its collaboration with the **Harvard Business School**. Building a close bandwidth with academic institutions also garners talent development by engaging with students through research projects, internships, and industry partnerships. Companies miss out on the value of existing research which could be of immense value to the market or an additional point of view to the business proposition.

Companies who utilized open innovation and partnerships have gained in

- 1. Asset-light models*
- 2. Branding and marketing associations*
- 3. Soft landing collaborations for optimizing infrastructure and other resources with those outside their four walls*
- 4. Product development*
- 5. Improved service design and delivery*
- 6. Technology integrations*
- 7. Sustainability initiatives*
- 8. Cost-sharing*
- 9. Risk reduction and mutual value creation*
- 10. Revenue management*
- 11. High customer centric services*

SHOW ME THE MONEY:

Creating new business models using Open Innovation

One of the most important metrics to consider in external collaborations is how it can drive revenue growth for current business models and also possible new revenue streams. ***An IBM report suggests that "businesses that have embraced Open Innovation enjoyed a whopping 59% higher rate of revenue growth compared to businesses that didn't".***

But how do we make it work? The key lies in establishing clear goals. Companies need to identify areas where they would like complementary expertise, ensuring benefits for all. Think co-creating unique experiences, exploring non-competitive spaces, or tackling industry challenges together. Open innovation aids a collaborative spirit, where everyone wins, ultimately generating new revenue streams and propelling the entire tourism industry forward.

Figure 6 delves into the exciting world of business model innovation by different companies within the different sections of the ecosystem provided. For ease, let's pick up one area of **Travel Technology** to explore it deeper on how cutting-edge solutions are transforming the industry, not just by offering new tools, but by fundamentally reshaping how travel businesses operate, generate revenue and even create new avenues for growth.

Industry business models



Figure 6: Core business models of the companies identified in the tourism open innovation ecosystem above

Business Models powering innovation: Highlighting technology avenues

Revenue Management & Personalization: Companies like **Amadeus** use data analytics to predict demand and personalize offers, allowing travel providers to optimize pricing and recommend relevant options to customers.

Automation & Efficiency: Chatbots powered by AI (e.g., **IBM**) and virtual assistants (e.g., **Mezi**) automate customer service processes, freeing up human resources

and providing 24/7 support.

Blockchain & Decentralization: Companies like Winding Tree and Travel Ledger leverage blockchain technology to create secure and transparent platforms for managing travel bookings and payments. This streamlines supply chain management and offers travelers greater control and security.

Sustainable Solutions: Sustainable Travel Tech companies like **Winding Tree** focus on carbon offsetting platforms. These platforms enable travelers to contribute to environmental initiatives and minimize their travel footprint, aligning with the growing demand for eco-conscious travel.

Data Analytics & Customer Engagement: Predictive analytics based on AI & ML allow companies to anticipate customer needs and offer targeted promotions. This builds deeper customer engagement and loyalty.

Frictionless Transactions: Settlement platforms built on blockchain technology (e.g., **Travel Ledger**) enable secure and streamlined payment processing. This promotes faster transactions and reduces friction for both travelers and service providers.

Travel businesses will have to collaborate externally to incorporate these changing landscapes to improve internal capabilities and offerings. Diversifying collaborations not only enhances the company's growth opportunities but also opens doors to new investments and revenue streams. Capgemini remarked in a 2023 study that over **60% of companies that participated in the open innovation study have also realized financial benefits such as increased revenue and operational efficiency.**

The future of tourism lies in leveraging open innovation, where destinations collaborate with diverse players to create unique and economically thriving experiences. Figure 7 highlights key innovation areas where companies are making strides, and also suggests opportunities for further collaboration. By embracing open innovation across these areas, destinations can hold collective expertise to create richer tourist experiences and unlock new avenues for economic growth. Examining successful collaborations, like Hilton's partnership with IBM for Watson-powered guest personalization or Airbnb's collaboration with local communities, can provide valuable insights into future innovations.

Industry innovations and collaborative areas



Figure 7: Areas of innovations and collaborations of these companies

Conclusion: Ushering in a new era of collaborative tourism

Embracing change is essential for growth in improving businesses, though often challenging. Open innovation serves as a nudge required for organizations to go beyond comfort zones in exploring new possibilities. As demonstrated in the paper, there are six relevant areas under a new framework that are imperative for elevating destinations. They can unlock untapped potential, driving growth and competitiveness for tourism and hospitality promoters. Open innovation is

therefore used as a means to synergize all of them in the creation or improvement of existing products, services and experiences. It enables a distribution system of sharing risks and costs in the collaborative mechanism, thereby making it tangible and outcome driven for businesses. By pooling resources and expertise, businesses also become less susceptible to individual market fluctuations or unforeseen disruptions, which the tourism sector is often a witness to.

Case studies presented in this paper, featuring companies of all sizes and many types serve as testaments to the diverse and versatility of open innovation. These partnerships unlock greater potential for market reach and impact. By collaborating with others, companies gain valuable insights into their strengths and weaknesses, producing a deeper understanding of their capabilities. By spotlighting key areas of joint value creation, this model serves as a stimulus for generating new ideas and concepts across the broader industry and in destination augmentation. A culture of continuous innovation is key, balancing speed with quality for long-term success in enhancing destinations, a critical factor highlighted by industry leaders.

By strengthening partnerships, sharing resources, and harnessing the power of collective ingenuity, destinations can not only survive but thrive in the ever-evolving travel landscape. This collaborative approach holds the key to unlocking their potential and propelling them towards a brighter, more sustainable, and irresistibly exploratory future. **Join us at Berkeley as we lead the way to unlock the power of open innovation in tourism!**

Annexure: Case studies of global collaborative opportunities:

A global competition where 18,000 entrepreneurs from 150 countries vie for a spot amongst 300 startups. Some of the outcomes of such a vast program offered effective soft landing when collaborations have to take place. Startups also gain valuable market exposure, connect with ecosystem partners in new regions, and learn to grow with quality assurance mechanisms. But the benefits go deeper. **UN Tourism**, with its government connections, facilitates interactions between entrepreneurs and ministers, generating a unique space for collaboration. This public-private partnership fuels the creation of solutions that benefit not just businesses, but the entire tourism industry. One example is Tobadaa, a startup from Egypt that connects travelers with on-demand services for tours and other activities by empowering local communities. They connect

travelers to tour guides and locals who can use their own cars to book tours and share experiences while making money (SDG 11). Another example is Travaxy, from Israel that meets the specific customer's disability needs and with end to end assistance for travelers (SDG 10)

NEOM, backed by the Kingdom of Saudi Arabia, is exemplified as a global-level innovation and touted as the **world's most ambitious tourism and hospitality project** (EP Hospitality Business). At a \$500 billion budget, this is a giga-project for new destination development and management inviting opportunities across fourteen sectors (Skift Research 2023) such as AI, robotics, renewable energy, biotechnology, data science, media & entertainment, etc. Some of the confirmed partners for NEOM include Tonomus that is building tech infrastructure, OneWeb for communication and data analytics, McLaren for mobility and entertainment, Air Products for energy and sustainability, Volocopter for mobility-logistics, MBC Group for entertainment, Van der Hoeven for food and biotechnology. Beyond the potential for collaboration with established players, this list unveils a vast landscape of unmet needs and untapped opportunities waiting for innovative businesses to enter. NEOM continues to scout for different innovators in building this upcoming global destination.

Glossary of terms:

1. **Blue ocean strategy:** It is a strategic approach that involves creating new market space or "blue oceans" rather than competing in existing market spaces, known as "red oceans".
2. **Experiential travel:** Experiential travel involves immersive exploration of a destination's culture, history, and people, focusing on authentic and meaningful experiences that go beyond traditional sightseeing.
3. **FMCG :** Fast Moving Consumer Goods
4. **Hyper-personalization:** Hyper-personalization involves tailoring products, services, and experiences to individual preferences and needs using advanced data analytics, artificial intelligence, and personalized marketing techniques.
5. **Inside-out** in open innovation refers to looking inward to identify unused or underutilized assets that can be commercialized or shared with external partners.
6. **ISS:** International Space Station
7. **Millennials:** Millennials, also known as Generation Y, are typically defined as the demographic cohort born between the early 1980s and the mid-1990s, characterized by their digital savvy, diverse interests, and values such as social responsibility and work-life balance.

8. **Non-experiential traveling:** Non-experiential traveling refers to a style of travel that prioritizes convenience, comfort, and relaxation over immersive cultural experiences, often characterized by pre-packaged tours, resort stays, and mainstream tourist attractions.
9. **Open data:** Open data refers to data that is freely available to access, use, and share, typically provided by governments, organizations, or individuals, to promote transparency, innovation, and collaboration.
10. **Open hospitality:** Open hospitality refers to a philosophy or approach within the hospitality industry that emphasizes transparency, collaboration, and inclusivity, aiming to create welcoming and accessible experiences for guests and communities.
11. **Open platform:** An open platform is a software or technology framework that allows developers to build and integrate applications and services using standard interfaces and protocols allowing collaboration and interoperability.
12. **Open source:** Open source refers to software or technology whose source code is freely available, allowing users to view, modify, and distribute it as they see fit.
13. **Outside-in** in open innovation refers to the process of seeking ideas, knowledge, and technology from external sources to drive innovation within an organization.
14. **PPP:** Public Private Partnership
15. **Sustainable Development Goal 10:** Reduced inequalities
16. **Sustainable Development Goal 11:** Sustainable cities and communities
17. **WTTC:** World Travel and Tourism Council

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As a Center for Growth Markets Fellow, he is working in promoting innovative business models for tourism. He is Founder, Rodeka Innovations- a tourism enterprise building new products and tourist experiences with both tech and creative capabilities to tap the potential of emerging destinations.