Part II: Smart Tourism and Smart Tourists

5 Advances in smart destination management and public governance: Tourism innovation ecosystems for digital transformation

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Introduction

Since 2015, the 'smart destination' (SD), drawn on the smart city concept, has been spreading all over the world (Buhalis, 2019). Smart destinations impact urban strategies and tourism destination planning and management. They are in vogue, not only in scientific research, but also in public government policies and projects (Battarra et al., 2016; Gretzel, 2018). This trend responds to the need for regions to face an increasing number of challenges under growing social and economic uncertainty. They also illustrate the necessity to improve the performance of local public governments and help local companies improve tourists' satisfaction and citizens' lives. Many

organizations, cities and regions have embraced the idea of 'smartness' as a potential solution for their problems. This is based on the ideal of making a more intensive use of technologies while creating better life conditions, safeguarding the environment and increasing the quality of life (Cohen, 2012).

Since the emergence of the British seaside resort in the late 19th and early 20th century, every generation has witnessed a technological breakthrough that has revolutionized the tourism industry and destinations (Buhalis et al., 2019). The present situation is characterized by a deep digital transformation, accelerated as a result of the COVID-19 irruption. Digital transformation is more powerful, transformative and with longer term implications than previous transformations (Benckendorff et al., 2019; Xiang, 2018). All societies, corporations, cities and regions must prepare for the change caused by the current technological revolution and digitalization (Buhalis & Wagner, 2013).

Regarding tourism, the new context intensifies the diversification of services and processes (Buhalis, 2019). Applied to territories, it stresses the diffusion of smartness in small but highly productive units that rely on new technologies linked to the process of service co-creation. It also requires greater awareness of the need to preserve the quality of local natural and cultural environments. The new market conditions will continue to encourage the emergence of additional disruptive forces and business models that, from within or outside the tourism sector, will affect the tourism ecosystem progress (Buhalis et al., 2019). This challenges the traditional organizational structures of destinations and requires reengineering of business operations and public management. The innovation capacity offered by technology to destinations and companies also opens a new scope of opportunities to improve the management of all tangible and intangible elements that shape the tourist experience (Lamsfus et al., 2015); through value co-creation and engagement in customer citizenship behavior in the hospitality and tourism context (Assiouras et al., 2019). As destination management organizations (DMOs) become aware of new technologies, managers and leaders struggle to prioritize the technologies to select and deploy (Femenia-Serra & Ivars-Baidal, 2019). Destination leaders know that these technologies will likely impact their work areas and that it is important to stay ahead of the curve. But DMOs do not always have a clearly defined goal for each implemented technology. In these cases, there is a need for experts' support on decision making processes to choose technologies which warrant the use of their often-limited resources.

This chapter tackles the research problem of how city governments can take ownership of smart city/smart destination projects to ensure that they

create value for residents and local organizations. Therefore, it focuses on the value smart services create and how local governments can ensure that value is created and delivered. To address these issues, the chapter presents the research project undertaken in the framework of the Observatory for the Digitization of Tourist Destinations (DIGITUR) in Spain. This was an initiative launched in 2019 by the Spanish Secretary of State for Tourism, and was driven by Segittur (the Spanish state company dedicated to the management of innovation and tourism technologies) in collaboration with Exceltur (a non-profit Spanish organisation that integrates the 34 leading Spanish private tourism sector operators). This novel initiative has been fully funded by the Ministry's budget.

The objective of DIGITUR is to promote the digitization of Spanish tourist destinations. As a starting point, it addresses those key areas or critical problems of destinations where technology can allow management improvements on the tourist experience, competitiveness and sustainability of the destination. DIGITUR aims to encourage the development of digital transformation in Spanish tourist destinations, within the framework of the recently created Smart Tourism Destinations Network of Spain (SDs Network). It takes advantage of the new opportunities offered to destinations using new solutions and tools, as well as those developed in the smart cities' framework, to respond to current tourism issues and future challenges.

This chapter illustrates the relevance of the actions in the framework of smart destination policies aimed at activating national innovation systems. In tourism systems, innovation is generally considered to be closely linked to knowledge management of all relevant contexts (Buhalis, 2022). In smart destinations, knowledge transfer is implicit in its conceptualization (Gretzel et al., 2015). Smart destinations therefore can be understood as collections of linked innovations, aimed at facing the highly competitive and unpredictable market for tourism services (Williams et al., 2020). DIGITUR is an example of the Spanish strategy to develop environments that will boost innovation across the tourism sector. Segittur acts as an innovation hub for tourism in Spain that fosters and coordinates the digital transformation of the SDs Network members, including over 150 Spanish tourism destinations. The network approach provides a unique setting to knowledge sharing, data exchange and co-creation.