

# MOST COMMON REASONS WHY TOURISM INNOVATIONS FAIL



The travel industry has started an accelerated stage in which new tourism innovations are introduced almost every day, especially in the field of new technologies, applications, devices, products and online services, etc. However, for every achievement made in the market, many failures follow.

The reasons for these unsuccessful projects are almost always the same, as revealed by a research project funded by the EU in which five of the most frequent mistakes have been identified.

## **Tourism unawareness**

**Contrary to what many entrepreneurs might think, tourism is a very complex industry, with different market segments and management of multiple operations.** In addition, some sub-sectors within this industry have a reputation for being traditional, risk-averse, and with no hunger for innovation.

## **Excessive optimism**

Many entrepreneurs design innovations that do not always match the real needs of their targeted audience. They take for granted that their idea is so good and the benefits so obvious, that they refuse to engage in previous market researches or carry out reliable tests. So they end up realizing too late that consumers do not share the same view about the value of the particular tourism innovation, because it is a solution to a problem that they never actually had.

## **Underestimating risks**

Overconfident entrepreneurs may turn a blind eye to an absolute truth: consumers may not share the same enthusiasm for innovation as they do. The reality is that consumers can be afraid of change and be content with the current situation. And it seems that where entrepreneurs see benefits and advantages for consumers, these instead can notice all kinds of risks: psychological, security, time and money investments, as well as risks associated with trusting an unknown company. All of this can lead to strong market resistance.

## **Too complex innovation**

A common occurrence is that entrepreneurs do not put enough focus on real consumer problems, but on what they are good at. And this happens often when it comes to technological innovations, where more and more functions are added to a product while trying to achieve perfection, but the final results can have a very complex use or have unnecessary features that customers do not need or welcome.

## **Improper human resources management**

**It is important for the new project to have an adequate human resources team, who is also equipped with the required skill, but this department is often plagued by mistakes.**

Sometimes, staff is hired at very early stages; or people lacking experience are employed to try and

save costs, or the new company opens positions with salaries they cannot cover, etc.

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