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Innovation Activities at Tourist Information Centers
and an Increase in Competitiveness for Tourism Destinations

Abstract
The modern consumer reflects a particular lifestyle that has been adopted by society
and part of which is the ever-growing significance of entertainment and leisure time.
The most significant trend influencing current demand for services in the tourism
industry is the individualization of demand. The consumption of tourism services in
contemporary society is considered to be a standard part of consumption in general.
Tourists proceed from available information offered by particular destinations and
essentially create their own travel and tourism products. Consumer behavior is most
often followed according to how they react to what is offered. Tourism industry
products and services are always implemented at a particular destination and these
services are administered by a range of providers whose share is constantly changing
in real terms and over time. Tourists buy these partial products and their
consumption provides a feeling of satisfaction, which is further fulfilled by the
synergetic effect resulting from their current consumption level. For tourists, distance
from their residence complicates their familiarization with the tourism supply of a
particular destination. Tourist information centers provide important assistance for
their decisions. They are involved in the development of tourism in localities and
regions by communicating tourists' requirements to the providers of individual
services. They are special-purpose facilities that provide objective and evidence-based
information on destinations, tourism services, and the leisure and cultural supply in
the area in which they operate. By utilizing the services of the tourist information
centers, tourists can receive premiums in the form of discounts, and service providers
are encouraged to specialize their offerings. There are currently more than 600 tourist
information centers registered in the Czech Republic, which are grouped together
voluntarily in the Association of Tourist Information Centers of the Czech Republic.

Key Words
destination management organization, innovation, tourism, tourist information center

JEL Classification: L32, L83

Introduction

When purchasing a composite product offered by a tourism destination, the use of rational
consumer choice is more difficult. Composite product belongs to the sphere of personal
services, because they contain some elements of intangibility and their production takes
place only with the participation of the customer. For tourists, distance from their residence
complicates their familiarization with the tourism supply of a particular destination. Tourist
information centers (TIC) provide important assistance for their decisions. The supply of services in a tourism destination is made up of a composite of the activities of companies (network of providers). Their market position depends not only on the quality of services provided, but also the forms and success of their communication with customers. Part of the business process, which is the sum of other related activities that the company must provide to ensure their active work, is not only advertising, but also finding new customers.

Tourist information centers cooperate not only with visitors, to whom they sell or provide services free of charge, but of course with the providers of those services, whether in the public or private sector. An integral part is also working with local residents. They themselves and their local products are part of the destination and make up the supply, and at the same time, they are also visitors to events arranged by the TIC. In the process of strengthening their competitiveness in the market, tourist information centers should behave as companies. In the context of the Czech Republic however, most TICs have been established by local or regional authorities. This often means that their behavior is not dependent on the market and there is a weak focus on increasing competitiveness.

The transformation of a TIC, whose original purpose is to promote a destination, into a business entity that creates new utility value by changing its strategy, can occur through innovation. This means expanding the role of TIC destination management towards tourists (customers of the destination). This, at the same time, increases the activity of entrepreneurs in accommodation, catering, transport and attractions that continuously inform the TIC on vacancies, prices, supply, etc. This is a specific business strategy that creates new value for money for customers. Tourists can obtain premiums (discounts) for using the TIC and service providers are motivated to specialize their offerings. The resulting effect, which increases the benefits for all involved, is that the length of stay of tourists in the area is extended.

1. Theoretical aspects of the individualization of demand in tourism

In today's world, lifestyle ceases to be based on the free decisions of man, but more related to the presentation of his identity. Individualism, which is a manifestation of human emancipation and self-awareness, "...is actually the only thing that remains to a person in this atomised society" [13, p. 105]. This model of individualization affects all dimensions of human life and increases their dependence on the market. Although people are casting off many traditional life relationships, their consumption is leading to the standardization and unification of existential forms. The hallmark of our society is becoming "...mass consumption of housing, household appliances, and articles of daily use designed for the masses, as well as of opinions, habits, attitudes and lifestyles disseminated by the media" [3].

At the end of the nineteen seventies consumer society passed its second phase, i.e. a society of abundance, in which the consumption of goods was raised to a style of life and to a meaning of life. Emotional consumerism – or consumption for the emotional effect, understood as amassing pleasure, gratification and subjective well-being, became a new
incentive. Consuming today serves not only as a presentation of an individual's social and economic identity, but it also gives one the chance to answer the age-old question — "who am I?" "Homo consumericus" buys standard products; however, these are always being interpreted in new ways and arranged in different patterns of consumption which express his individual identity. "Consumption depends more and more on individual goals, hobbies and criteria" [12, p. 46].

The birth of an individual consumer is a result of a range of factors. The most important ones are goods diffusion (e.g., broadening of the supply of durables – cars, electric appliances), the entertainment industry boom, transformation of distribution networks, services growth, and above all, an increase in income. "For the typical consumer there is a predominance of non-real services over real ones. Real ones have an authentic quality (they are not artificial products of the advertising and fashion industries). They contribute to the emancipation of the person. However, a consumer also affirms, for many reasons, his need for the opposite – non-real needs, which are generated by the market or competition between companies" [5, p. 186]. Individual hedonism is supported by self-service sales (direct contact between the supply and demand) and the growth of leisure time, which has led to a higher expenditure on entertainment and leisure time activities. One expression of the individualistic consumer is impulse purchasing, which brings immediate joy and happiness, here and now. A consumer becomes more emancipated, and at the same time, is creating his own lifestyle. He comes across only one barrier – his purchasing power. A man changes into "an entrepreneuring consumer" and becomes a consumer specialist. "Consumption attitudes lead a person to an idea – that it is his duty to make himself and his life better, to cultivate and develop himself, and to overcome his own personal deficiencies, as well as other obstacles blocking the path to his style of life" [11, p. 133].

Nowadays, one does not buy a product, but a lifestyle connected to a particular brand. "The most important thing is no longer the social effect and the moment of 'have you seen what I've got?', but rather the image of the brand" [12, p. 53]. We do not want to impress other people, but ourselves. The goal of the individual person is to build his own lifestyle and fill his leisure time. Economic wealth helps us to reach a broader individual sovereignty; however, it causes our deeper dependence on market power. The source of unlimited consumer demand is not a competitive struggle for higher social status, but a person focused on himself and endowed with the freedom to reshape and manage his own life.

The modern consumer reflects a particular lifestyle that has been adopted by society and part of which is the ever-growing significance of entertainment and leisure time. It is estimated that people over 15 years old spend about 30 percent of their time on entertainment and social activities. The "leisure time industry" has focused on participative and emotive activities, and offers more and more experiences within the framework of entertainment and spectacles, games, tourism, and sports. Each of them has its own economic character and social address and is intended for a particular lifestyle. A consumer becomes a "collector of experiences" and consuming, like a game, becomes its own particular reward. The most significant trend influencing current demand for services in the tourism industry is the individualization of demand – 66 per cent of Czechs organize their holidays on their own, and 34 per cent use travel agency services (which is the highest percentage within the EU).
Demand in tourism results from the decisions of individuals who visit a particular destination to meet their needs. The consumption of tourism services in contemporary society is considered to be a standard part of consumption in general. Tourism is only in small part a component of the existential function of consumption, while its imaginative and symbolic significance is much more important for man. For many people, a visit to a particular destination represents "conspicuous consumption" and so people create "their own identity", possibly confirming affiliation to a specific layer (group) of society.

Tourists proceed from available information offered by particular destinations and essentially create their own travel and tourism products. Consumer behavior is most often followed according to how they react to what is offered. Consumer motivation in travel and tourism varies from the satisfaction of other demands, because it lies at the very top of the needs hierarchy (Maslow). Tourism is a product intended for leisure time; it meets one's need for self-realization and strengthens one's sense of fulfillment. It is an expression of the individualism of one's life path. These expressions bring about socio-cultural changes in the current society which are the result of a "...mutual strengthening of always separately progressing development dynamics..." [7, p. 193].

A tourism industry product from the supply side is "...a flexible set of individual, different, and relatively independent activities implemented through various services and types of goods that create a unique and variable package of individual and differentiated services" [2, p. 155]. Tourism industry products and services are always implemented at a particular destination and these services are administered by a range of providers whose share is constantly changing (in real terms and over time). From an economic point of view, tourism industry products are offered in only portions of markets and are "produced" by providers of "partial products" – transport, accommodation, catering, entertainment and attractions (natural, historical, cultural, sport, souvenir, local crafts) [15, p. 136 – 137]. Tourists buy these partial products and their consumption provides a feeling of satisfaction, which is further fulfilled by the synergetic effect resulting from their current consumption level.

According to neoclassical theory, the optimal combination of goods has been purchased by a consumer if, within his budgetary constraints and given the prices, he can not further increase the overall benefit. A condition for consumer equilibrium is an equal balance of marginal utilities of all goods consumed in relation to their prices. The practical application of this conclusion is difficult because with most purchases consumers are not able to check all prices and specifications of the currently available products.

2. Tourist information centers as a component of destination management

Mapping out the situation in the area of tourist information centers in the Czech Republic took place over half a year within the project Measuring of tourism effects in community of Lipno nad Vltavou. The aim of the study and research project was to find out which organizations were involved in the management of destinations and information management, who initiated their formation, the extent to which the public administration and business sector participates in the management of destinations, including financial
support, who the members are, etc. The main sources for the investigation were gathered from publicly available information from tourist information centers' websites, annual reports from institutions and organizations, and the knowledge and experience of the authors. This was followed by an analysis of secondary data and the creation of a basic information management model showing the relationships of all stakeholders (elements) - management relationships, collaboration, financial support and how the stakeholders share in the information management.

For some tourists, completion of these partial products is done by travel agencies. Most tourists, however, complete their "product" on their own and only utilize available offers. Providers of partial products do not know their prospective customers' needs and wishes, or their financial possibilities, etc. Therefore, the structure of the tourism industry products on offer does not fully correspond with the demand structure. Quite a substantial segment is not used, especially in the area of domestic tourism (occupancy rate in the Czech Republic is on average approx. 35 percent).

Tourism in the Czech Republic is currently determined by the supply, because the foundation of its development is the destination product offered. The consumer is "acquired" on the basis of a presentation of the attractions in a given destination. Tourism information centers, which are special-purpose facilities that provide objective and evidence-based information on destinations, tourism services, and the leisure and cultural supply in the area in which they operate, play a significant role in the presentation of destinations. In the Czech Republic, this is dominated by the promotion of attractions and partially the marketing of destinations. Many of them also, in carrying out their business activities, offer and sell paid services related to tourism, such as guided tours, ticket bookings, etc.

For TICs, business is no longer just about the most typical activities, such as the provision of information and selling of souvenirs, but with growing competition on the supply side and the growing individualization of demand, they must also find and address prospective visitors, offer them services leading to the fulfillment of their primary, as well as additional, tourism needs at the site, and ensure their satisfaction so they return again. A study carried out for CzechTourism, "The Organization of Tourism in Administrative and Tourist Regions of the Czech Republic" [14], shows another status of tourist information centers in relation to destination management at the regional and local level. TICs at the local level are far more active and very often assume the role of destination management organizations (DMO). These primarily includes areas where there is an absence of a strong regional DMO. Within the framework of regional destination management, tourist information centers supply typical services, meaning providing information to visitors and more or less cooperating with the regional destination management. TICs, which play the role of local DMO, are mostly private entities, such as Ltd. or non-profit public companies. Their market behavior, including increasing competitiveness, forms their main goal and their strategies corresponds to this.

A system-based approach to tourism, resulting from a general understanding of the destination product, regards a TIC as one of the actors in the "production" of this product. The interaction of all actors involved in tourism services at the destination is initiated and
coordinated by destination management organizations. The experience of countries with already developed tourism shows that a significant factor in the expansion of local and regional tourism is institutional support implemented through regional development agencies, such as the regional secretariats in Switzerland.

In the Czech Republic, the founders of these organizations vary, usually only perform marketing functions, and in most cases are not standard destination management organizations. The result of this approach is the fact that in the Czech Republic it has long been difficult to secure functional cooperation between the business and the public sectors in the preparation and production of tourism products. A DMO should play the role of "facilitator", which first stimulates the so-called crystallization of the core, and gradually helps in creating a functional unit, whose output is the destination product. The integrating principle of this process is a public-private partnership (PPP), which helps bridge the fragmented interests of individual entities in the form of creative connections. The principle of partnership is an inevitable element of the development of sites and regions, because it generates a collective learning process, and the dissemination of positive experiences from practice enhances economic growth and competitiveness.

TICs are involved in the development of tourism in localities and regions by communicating the requirements of tourists to the providers of services. Stimulation of innovation activities at TICs comes not only from the demand side (from tourists), but also from the supply side, i.e. service providers. This is confirmed by empirical experience that "...most innovation does not have its origins in basic research, but reflects the market situation" [8:26]. In the context of TICs, innovation is the creation, dissemination and use of information (knowledge). This innovative process is market-oriented and aims to ensure that the TIC acquires new skills and provides customers with greater value. TICs thus use their hidden competitive advantage, which lies in the information (data) in their possession. Correctly interpreting and quickly using this data adds value, not only in the satisfaction of tourists, but also in cost savings and increased turnover for the producers of tourism services.

3. The business strategy of tourist information centers

The "bottom-up" approach is highly characteristic of the business and non-profit sectors in the establishment of DMOs. Such an approach is often applied in Switzerland for example, where service providers in tourism initiate the formation of a DMO, when immediate profit, arising from the synergistic effect of co-ordination and co-operation activities is their immediate motive, as well as the development of the destination in which they operate, which will provide them income in the future. In the Czech Republic there is no example of a destination at the tourism-regional level, which has strictly applied this approach. The bottom-up approach occurs at the level of management of tourist areas and local destinations. An example in the Czech Republic may be the destination management organization Lipensko Ltd., which was founded on 4 April 2011 to promote the development of tourism in the Lipensko area. The advantages of this approach lie in establishing cooperation from entrepreneurs and service providers, and then inviting representatives of the public sphere. The private sector itself voluntarily participates in the development of tourism in the area and follows motives other than "only" short-term gain.
The disadvantage may be low support from the public sphere if there is no agreement on common objectives in terms of territorial development.

**Fig. 1 Number of basic services and accommodation providers involved in Lipno Card**

![Graph showing number of basic services and accommodation providers](image)

*Source: Own elaboration with data from Lipno Infocenter [10].*

The following data and information were derived from the project "Measuring the Effects of Tourism in the Municipality Lipno nad Vltavou" [10]. An example of a TIC executing the tasks of a local DMO is the Lipno Infocenter in Lipno nad Vltavou. The information center is open year round, takes on the role of destination management through Lipensko Ltd., and its newest product is called the Lipno Card. The guest card project, Lipno Card, was initiated in order to increase the attractiveness of destinations in the surroundings of Lake Lipno. The main motive of the project was to develop and offer a comprehensive collection of attractive services for the summer season in 2011, in close collaboration with key stakeholders and infrastructure across destinations, with the additional bonus of "expediency" and the aspect of added value for the client. The guest card is a marketing tool making used of various benefits and discounts at participating client service providers (Figure 1). In the summer of 2011, a total 90 services were involved in the project with discounts (hypothetically) exceeding CZK 5,000. There was no fee required for service providers who participated in the first wave of the project. Gradually, an amount ranging from 2,500 to 20,000 CZK was collected according to the nature of the service and the competitive potential.

Regarding the demand, accommodation bookings and real demand for accommodation, thus the supply addressed by the Infocenter and its subsequent use, this was highest in February (winter season) and July (summer season). This is the main season, so we can assume a high percentage of occupancy in accommodation facilities, which relates to the increased reluctance of tourists to invest more time and energy to this act. Even so, the use of the offers year-to-year (2010/2011) decreased by 34%. After receiving the offer, people apparently directly addressed the specific accommodation providers themselves and bypassed the TIC. This meant an unpaid service from the TIC. The lowest utilization rate for the offer was in October. The Infocenter had its highest sales from the sale of goods and services falling within the 20% VAT rate. Sales in this category made up 53% of total sales in 2012, followed by the sale of maps, stamps and postcards.

The transformation of a TIC, whose original purpose is to promote a destination, into a business entity that creates new utility value by changing its strategy, can occur through
innovation. According to Drucker, "...from the physical point of view there is no change, but from an economic point of view there is something different and new" [4, p. 241]. Fundamentally, this means a search for new answers to the question: What do tourists need, so that TICs can really serve them? The answer comes from the analysis of the utility of services that a TIC provides to tourists, i.e. of the satisfaction which it brings to them.

This is about expanding the role of TIC in destination management towards tourists (customers of the destination). In parallel, the activity of entrepreneurs is increased in accommodation, catering, transport and attractions, which continuously informs the TIC on vacancies, prices, the supply etc. On the basis of this information, a TIC generates a "catalog of destination services" and is able (for a fee) to make bookings for tourists, offer special programs, solve their acute problems, etc. It is a specific business strategy that creates new value for money for customers. "Creating utility value allows people to satisfy their desires and their needs in their own way" [4, p. 243]. This is what TICs can do for their customers, and which is the ultimate goal of any business. Tourists can obtain premiums (discounts) for using the TIC and service providers are motivated to specialize in their offerings. The resulting effect, which increases the benefit for all involved, is an extended stay in the area by tourists.

4. Categorization of the tourist information centers

There are more than 600 tourist information centers registered in the Czech Republic, which on a voluntary basis, are grouped together in the Association of Tourist Information Centers (ATIC). "The legal form of a TIC corresponds to the status of the founder. The most common founders are public bodies (municipality, city, administrative region, state) and organizations established by them, as well as enterprises of the administrative regions or state and voluntary associations of municipalities. All appropriate legal forms for information centers are listed in the Methodology of Information Centers on the A.T.I.C. webpages" [1].

Currently, the process is underway for a single TIC certification system under the auspices of the Ministry of Regional Development of the Czech Republic as part of the framework for the Czech System of Quality Services in the Czech Republic. According to the new certification system, the basic tourist information center activities as set as follows:

- A TIC searches for, collects, updates and disseminates accurate tourist information from the area within its scope (municipality, city, region, country).
- A TIC provides the public with information from the database by all available means (orally, by telephone, in writing, through electronic media, etc.) while accepting the principles of sustainable tourism. Oral information is provided free of charge to visitors. Other services may be appropriately charged for. For this purpose, a list of services with a price list is located in the TIC in a conspicuous place for review.
- Providing free information is the predominant activity of the TIC. If a TIC offers and sells additional services and products related to tourism (e.g. if it also functions as a travel agency), it does so only on condition that it does not interfere with the
comprehensiveness and objectivity of the information and while maintaining the quality of service of a TIC.

- TIC staff have access to the document "Quality parameters of services to clients and visitors to tourist information centers" in the latest updated version.

The list of these basic activities implies continuance of the ingrained function of the TIC without any greater degree of innovation. And this is also proven by the categorization (Tab. 1).

**Tab. 1 Categorization of the TIC in the Czech Republic**

<table>
<thead>
<tr>
<th>Category</th>
<th>Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>State-wide information centers are marked with four stars.</td>
</tr>
<tr>
<td>B</td>
<td>Area-wide information centers are marked with three stars.</td>
</tr>
<tr>
<td>C</td>
<td>Local year-round information centers are marked with two stars.</td>
</tr>
<tr>
<td>D</td>
<td>Seasonal information centers are marked with one star.</td>
</tr>
</tbody>
</table>

*Source: Own elaboration with data from the Ministry of Regional Development CZ [9].*

**Conclusion**

Because the categorization based mainly on quantitative indicators such as the number of opening days, and the world languages in which information is given, it may be that the a local TIC in category C with two stars will be a first-class functional destination management organization, which operates in the market based on a business strategy. However, it will be rated with two stars. The rating reflects more the level and the geographical scope than the quality and range of services.

The innovation process should reflect the increasing need for obtaining and providing information on tourism, not only for visitors to the destination, but also for public authorities, businesses and other entities. Tourist information centers are part of an information system which "...consists of people, equipment and procedures to collect, sort, analyze, evaluate and distribute needed, timely and accurate information for decision-making in tourism" [6, p. 111].

TICs are involved in the development of tourism in localities and regions by communicating the requirements of tourists to the providers of services. Stimulation of innovation activities at TICs comes not only from the demand side (from tourists), but also from the supply side, i.e. service providers. In the context of TICs, innovation is the creation, dissemination and use of information (knowledge). This innovative process is market-oriented and aims to ensure that the TIC acquires new skills and provide customers with greater value. TICs thus use their hidden competitive advantage, which lies in the information (data) in their possession. Correctly interpreting and quickly using this data adds value, not only in the satisfaction of tourists, but also in cost savings and increased turnover for the producers of tourism services.

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