



European
Commission

EUROPEAN TOURISM DAY

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#EUTourismDay



AWARD CEREMONY
EUROPEAN CAPITAL OF SMART TOURISM
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DISCUSSION PAPER

SESSION 1: VALUE CREATION AND SMART INNOVATION IN EU TOURISM

The European Union is the global leader in tourism, registering over 530 million international tourist arrivals and its 7th consecutive year of growth in 2017. This position has been built on our destinations' unique and diverse natural, cultural, historical heritage underpinned by a skilled, talented and service-minded workforce offering high-quality and sophisticated tourism products and services.

However, in the new industrial age¹ tourism is facing an accelerated pace of economic, societal and technological transformations. The rapidly evolving marketing and distribution channels driven by big data, Internet of Things, artificial intelligence and the behaviour of today's digitally enhanced travellers disrupt traditional tourism services.

Innovation itself and value creation in tourism are changing in profound ways, driven by a new generation of consumers who expect value co-creation through a personalised and authentic experience, connectivity and online accessibility and real-time information. Data are becoming the new competitive factor in shaping tourism services and products to satisfy consumer demand and improve efficiency.

Certain segments of the industry and destinations are seizing the opportunities these trends present. However, major efforts are needed to adjust to the challenges and reap the vast opportunities by the rest who are lagging behind. The tourism industry needs to better integrate into global value chains in order to embrace innovation and accommodate the shifts in the market environment and consumer demand. Small and medium enterprises, which are the vast majority in the tourism industry, have even more difficulties to uptake innovation and digitisation and, ultimately, to grow in the future.

The European Union puts significant efforts in empowering the industry, regions and cities to address emerging challenges and turn them into opportunities. The Investment Plan, the Single Market Strategy, the Capital Markets Union, the Digital Single Market Strategy, Horizon 2020 and the European Structural and Investment Funds are playing a major role in stimulating investment and cross-regional cooperation in innovation, including in tourism.

1 Commission's reflection paper on harnessing globalisation, COM(2017) 240.

The latter provides the means to Member States and regions to cater for their specific modernisation needs through smart specialisation. In that respect, the Smart Specialisation Platform for Industrial Modernisation¹ was developed with a view to maximising Europe's potential with smart specialisation by reinforcing cooperation across regions and through the development of joint investment projects. The Platform assists regional and national policy-makers to develop, implement and review their Research and Innovation Strategies for Smart Specialisation (RIS3) such as through guidance documents and tools to identify regions with similar policy priorities, and has a dedicated thematic area on tourism.

The EU Cluster Portal² complements this. Support to clusters aims to facilitate cross-sectoral and cross-border collaboration, helping SMEs to grow and internationalise their activities. In addition, the European Cluster Excellence Programme³ supports capacity building in cluster management to raise innovation capacity and competitiveness of clusters, including in the area of tourism.

Moreover, the European Union is investing €100 million per year from 2016 to 2020 in the pan-European Network of Digital Innovation Hubs (DIH). DIHs act as one-stop-shops where companies – especially SMEs, startups and mid-caps – can get access to technology-testing, financing advice, market intelligence and networking opportunities.

Tourism businesses and regions in turn should make the initial investment in digital technologies and seize the innovation opportunities these technologies offer. The industry and public authorities should work together to integrate tourism in local innovation ecosystems and facilitate value chain integration across geographic and sectorial boundaries.

The session will concentrate on good practices about stimulating innovation in tourism through smart specialisation, inter-regional and cross-sectorial cooperation and the integration of tourism into the local/regional/global value chains. It will showcase innovative approaches that boost smart investment and innovation across the value chain for competitiveness, efficiency and sustainability. It will demonstrate the role of public-private partnerships and territorial cooperation in triggering investment and advancing innovation in tourism.

1 https://ec.europa.eu/growth/industry/policy/smart-specialisation_en

2 https://ec.europa.eu/growth/industry/policy/cluster_en

3 <https://www.clustercollaboration.eu/eu-initiative/cluster-excellence-calls>