



INNOVATION OF AND IN AN INFORMAL ACTOR NETWORK

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Outline

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- Theoretical Considerations
- Method
- “Becak wisata” as the case study
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Research Background

- Globalization has increased competition among tourism destinations
- A tourism destination → a bundle of tourism services as a whole → the tourism network
- The network has been innovated and created innovation in order to gain markets (visitors)
- Informal sectors as part of tourism network
- Innovation in order to improve their stakeholder roles in tourism development, of and in an informal actor network, has not explored yet

Theoretical Considerations

- Innovation is process of ‘creative destruction’ through new combinations of existing resources and existing institutional arrangement to solve any problem and also create new value (Sørensen 2004; Weiermair 2004; Kanter in Hjalager 2010)
- Classification of innovation:
 - new products (product innovation),
 - new method of production (process of innovation),
 - the exploitation of new markets (market innovation),
 - new ways to organize business (organizational or management innovation), and
 - a framework within which people interact (institutional innovation) (Fagerberg, Mowery, and Nelson 2005; Hjalager 1997; Hjalager 2010)

Method

- Exploratory qualitative research
- in-depth interviews with mix key stakeholders (union leader, hotel manager, and government representative)
- Content analysis

“Becak Wisata” as The Case Study

- “Becak Wisata”: the pedicab that serves tourist/visitor
- One of traditional transportation mode and also informal sector in Yogyakarta



Traditional Pedicab



Becak Wisata

Discussion

A. Product Innovation

1. The new physical performance:
 - the name of their union, membership's number on the pedicab & uniform of the drivers
 - as part of cultural tourism attraction in Yogyakarta

2. The new service provision:
 - New routes to tourist sites, traditional food shops, & hotel; hospitality manner; information & ability to speak foreign language.
 - By providing information: distribution channel in tourism marketing

B. Market Innovation

- The consumers: from resident as the passenger into tourist as the guest.
- Not only tourist who visit a tourist attraction but also hotel guest that stay in the hotel where the pedicab driver is managed.

C. Process Innovation

- Be required to have hospitality manner and a bunch of information to serve tourists
- Collaboration and cooperation with other members of informal actor and other (formal) actors in product innovation

D. Management Innovation

- Commonly no formal mechanism to create innovation.
- In some circumstances, transfer of knowledge' process are organized under the union (independent and under hotel management)
- The pedicab drivers are also bonded with formal tourism actors where they involve in some cooperation and collaboration actions. These bonds are managed both by the union and also based on individual agreement among the actors.
- The role of a local champion who has access and trust from the members of union in order to persuade them to create innovation; and from his external network to get support.

E. Institutional Innovation

- The union has important role in the innovation of pedicab.
- The members have decided some agreements related to their existence.
- Each member has obligation to fulfill the agreement, if not there will be consequences for them.
- All the agreement is institutionalized through and within the union.

Conclusion

- The innovation of pedicab in Yogyakarta into a “becak wisata” is a reaction of tourism actors in Yogyakarta to overcome their problems → resilient phenomena (Quick 2008)
- Innovation of an informal actor network:
 - Product, market, and process innovation
 - Gaining tourists after multi crises
 - New value for tourists and informal actors
- Innovation in an informal actor network:
 - Management and institutional innovation
 - Increasing capacities of the informal actors, bonding within the informal actor networks, and bargaining position with other actors
 - New value for informal actors and other actors

Implication on Tourism Development Policy

- refer to role of government as coordinator, legislator, regulator, and stimulator of tourism innovation (Hall and William in Hjalager 2010):
- Fair legal framework that gives stimuli and also guarantees to improve the product innovation based on the character of the informal sector
 - Supporting program in increasing local actors' capacities, such as information, technology, knowledge, management skill, etc.
 - Coordinating and facilitating informal and formal actor's network

Further Researches

- How the informal actors manage their resources/capacities to be involved in their innovation?
- How their innovation generates more socially, economically, and culturally values for them?
- Related to the strong bonding among the informal actors, how this capital influence the innovation?

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THANK YOU

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