

Exploring the Barriers to Innovation within North Cyprus Hotels

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ABSTRACT

The aim of present study is to specify the barriers to innovation process which exist within North Cyprus hotels and trying to focus on the ways to overcome these barriers. This study is based on the previous literatures on innovation, the importance of innovation in hotel industry, and the barriers to innovation within hotel industry generally. Also this study draws attention to the key role of managers in the process of open innovation.

Moreover, a sample of three, four and five star hotels was selected. The data were collected from 77 general and department managers that gave their ideas about innovation, procedure and outcomes. A self- administered questionnaire which was developed according to CENTRIM Model, was utilized as a tool to carry out the quantitative research. Then SPSS software was used for data analyze. The results demonstrated the weaknesses and strengths of the hotels in North Cyprus, which the weak points are considered as barriers to innovation. As innovation is a critical factor for firms to survive, so most of the hoteliers' efforts should be focused on solving the obstacles. The most critical barriers to innovation in TRNC hotels are : lack of innovation culture, directing a creative culture and also directing a creative business.

Keywords: Innovation, barriers, hotel industry, innovation culture, North Cyprus.

ÖZ

Bu araştırma, Kuzey Kıbrıs otellerinde gerçekleşen inovasyon süreçlerindeki engelleri belirlemeyi ve bu engelleri aşmanın yolları üzerine odaklanmayı hedeflemektedir.

Bu çalışmanın temeli, inovasyon hakkındaki literatüre, otelcilik sektöründe inovasyonun önemine ve otelcilik sektöründe inovasyonun gerçekleştirilmesinde genel olarak karşılaşılan engellerin belirlenmesine dayanmaktadır. Ayrıca, inovasyonun uygulanma sürecinde yöneticilerinin önemli rolüne de dikkat çekilmektedir.

Buna ek olarak üç, dört ve beş yıldızlı otellerden bir örneklem seçilmiştir. Veriler; inovasyon, yöntem ve sonuçları hakkındaki düşüncelerini ifade eden 77 genel ve bölüm müdürü ve yöneticilerinden toplanmıştır. CENTRIM modeline uygun olarak geliştirilen bir anket, nicel araştırmayı gerçekleştirmek üzere kullanılmıştır. Ardından, verileri analiz etmek amacıyla SPSS yazılımı kullanılmıştır. Sonuçlar Kuzey Kıbrıs'taki otellerin inovasyon uygulanmasındaki güçlü ve zayıf noktalarını ortaya koymuştur; araştırmada zayıf noktalar inovasyon sürecindeki engeller olarak değerlendirilmiştir. Çıkan sonuçlara göre bulgular; İnovasyon, şirketlerin hayatta kalması için kritik bir rol oynadığından otel işletmecilerinin çabaları, daha çok engelleri çözmek üzerine yoğunlaşması gerektiği olarak tesbit edilmiştir.

Anahtar Kelimeler: Inovasyon, engeller, otelcilik sektörü, inovasyon kültürü, Kuzey Kıbrıs.

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Chapter 1

INTRODUCTION

1.1 Background

Innovation can be defined as any changes in one or more terms from one or more vectors of characteristics which form the system that represents any services (Noorderhaven & Harzing, 2009). Also there is a great interaction between provider and customer in service sector. The competencies mobilized by provider and those contributed by customer. (Francina Orfila –Sintes & Jan Mattsson, 2007) also claim that in services the active participation of customers in the conception and realization of an innovation is a necessary requirement for success.

Beside the important effects of innovation, some hotels seem to have problem by implementing the innovation. The main problem of many hotels can be the result of lack of innovations in this industry. The reason of this fact can be observed in the existence of some obstacles.

Few researches have attempted to verify the innovation behavior in the hospitality sector. Jones found that innovation takes form of a stepwise process. Because of their knowledge about customers' needs and wants, innovation is often initiated by the company's customer-contact personnel. (Smerecnik & Andersen, 2011) found nine factors that promote successful service innovations from hotel manager: market

selection; strategic human resources management; training of employees; market responsiveness; empowerment ; behavior – based evaluation; marketing synergy; employee commitment; tangible quality.

In general there are four types of innovation: the management innovation type refers to the quality of management processes, to the ICT applications for management , and to improvements of the organizational structures. Innovation in external communications depicts that high information-intangible content of services products and processes in the hotel industry. The service scope innovation is relevant due to the importance of the service delivery for the competitiveness of hotels as in other service sectors back – office innovation, finally, consists of incorporation of new technological assets for the improvement in productivity and for achieving more efficient service delivery.

1.2 Objective and aim of study

As there is a lack of innovation research in the hospitality sector so the aim of this thesis is to explore how innovation is successfully incorporated in hotel industry within North Cyprus hotels. Moreover there is a need to diagnose the barriers which may exist to innovations activities in North Cyprus hotels and trying to find some methods to overcome these obstacles.

The hotel industry was selected for this study because tourism is a significant and high competitive sector, which can confront to continuous transformation and challenges. Therefore , it may argued that competitiveness in tourism is highly depended on innovation for achieving lower costs and higher quality outputs, such as improved services and products , environmental issues and information and

communication technologies interaction. However, as tourism firms are operating in various sections such as transportation, accommodation, leisure or intermediation, innovation behavior of tourism firms is also different. The hotel industry stands out from all of them since it is a homogeneous industry which develops an important part of the tourism services. What differs between high and low quality accommodation is the quality of the extra services and tangibles.

Generally there are different typical characteristics for tourism innovation. According to (Tajeddini, 2010) innovation has a significant effect in most firms which leads them to survive, it can be defined as a competitive advantage of the company or in other word, it is the notion of living or dying of the firms. By developing innovation, we can observe the considerable effects on economy level too which leads to offer high quality services and goods in low price (Andrews, 2004) .

1.3 Methodology and Data Collection

Population and sampling

The data in this study is aimed to be gathered from the fast developing tourism sector including three, four and five star hotels, located in TRNC. The convenient sampling will be used in determining the number of respondents. In a more focused sense, convenient samples are non- probabilistic samples and quite often a convenient sample is not a sample at all in sense that those selected are chosen on the basis of some distribution of multiple characteristics; rather the samples are chosen because they share certain very clearly defined core characteristics. This study has been planned to include of the managers of the aforementioned sub- sector of the tourism industry.

1.4 Survey Design

The questionnaire is a self-administered questionnaire which addressed to managers of the hotels. In addition to the CENTRIM MODEL developed by Francis (2001) It was also prepared by the authors, Francina Orfila –Sintes , and , Jan Mattsson (2007).The overall aim was to get their opinion about the barriers to innovation in general.

1.5 Data Collection

The data collected was interpreted under the light of relevant literature in order to have consistent conclusion. Briefly, the data needed for the research purpose was collected via face to face interview and structured questionnaires. During the distribution of the questionnaires, the aim will be explained to them.

1.6 Data Analysis

The data collected will be entered into statistical package for the social sciences (SPSS) program in order to calculate the necessary statistics such as means, standard deviations, frequencies and ANOVA (analysis of the variance) tests. Anova tests are for the significance of the differences between more two sample means. In an arithmetic average valuation unit. It is the average number of point's people have given to a certain statement out of a six point Likert scale. For better measurement a validity and reliability test was also used.

Chapter 2

TOURISM IN NORTH CYPRUS (TRNC)

2.1 North Cyprus

Cyprus is among the three largest islands which is located in Mediterranean Sea which its area is about 3,500 square miles. In 1974, this island has been separated into two parts such as Greek Cyprus with its Greek residents and Turkish side which its people are living in northern part. The population of (TRNC) is about 211,000. This island has a restricted number of natural resources and also a very narrow internal market. According to all factors mentioned therefore tourism is considered as the most significant producer of income in this island (State Planning Organization, 2013).

2.2 Accommodations and tourist attraction in North Cyprus

In North Cyprus there are almost 250 accommodations such as hotels, motels and also some kinds of holiday villages (Tourism Planning Office, 2014). There are 21 three star hotels, 8 star hotels and 13 five star hotels in north Cyprus (<http://www.gonorthcyprus.com/hotels.asp>). Since many years ago, tourism and hotel industry had been confronting with lots of problems such as: seasonality, low rates of occupancy, transportation problems, high level of prices , lack of qualified staffs and also not having enough additional facilities and good services within the hotels (Altinay ,2013).

2.3 Tourism industry in TRNC

By having sandy beaches, shiny sun and historical places, North Cyprus is considered as a famous island which attracts many tourists from different countries every year (Daskin, 2012).

Table1. Number of passenger arrivals in North Cyprus

AYLAR	TC			YABANCI			TOPLAM YOLCU		
	2014	2015	%	2014	2015	%	2014	2015	%
OCAK	62.015	72.276	16,5	10.097	12.812	26,9	72.112	85.088	18,0
TOPLAM	62.015	72.276	16,5	10.097	12.812	26,9	72.112	85.088	18,0

Source : www.tourism.gov.ct.tr,2015

The most popular tourist attraction in Cyprus are historical places (such as castles) and also the Mediterranean weather and sandy beaches of this island can be considered as main competitive advantage Cyprus. As there are a lot of environmental and cultural tourist attractions in North Cyprus, hotels and casinos can have an important role for absorbing tourists. The number of 1,2,3,4,5 start hotels and casinos in north Cyprus is around 91 which most of the hotels are located in Kyrenia.

Most of the characteristics of North Cyprus which are mentioned above, have significant impacts on tourism industry in Northern Cyprus. Moreover the growth of economy in Northern Cyprus had been strongly affected by the development of tourism industry.

Chapter 3

REVIEW LITERATURE

3.1 Innovation in Tourism Industry

Tourism products are in form of experience which most of them are intangible (Orfila-Sintes & Mattsson ,2009). After using these services, customers will experience a memory and have some judgment about them (Wanget al., 2012). Moreover tourism sector consists of some activities which are related to leisure industries such as: cultural, or sportive activities (Tajeddini, 2010).

The number of researches which consider innovation in tourism, are limited which can be the result of some political issues (Orfila-Sintes et al., 2005). However there are some environmental progresses which are carried out by customers, local residents and authorities regarded to this issue . The importance of innovation in tourism and service industry had been so considerable (Bakbasel, 2011). There are some fundamental innovations in manufacturing organizations, but innovations in tourism industry can stand in lower place of importance and because of this reason they are somehow rejected or ignored by governmental area (Muthén & Muthén, 2009).

3.2 The Definition of Innovation

Innovation can be referred to any changes or modification in the characteristics of system which deliver any service (Tajeddini, 2010). The term of innovation can have a broad meaning especially in business. The more general meaning can be defined as: the procedure of translation of an idea or creation into some goods or services that makes values for the consumers who pay for getting services. An idea just can be innovation in a case that the idea would be replicable at an economic cost which can satisfy a special need. Innovation is one of the key representatives of competitiveness (Orfila-Sintes & Mattsson, 2009). Innovation can cover several issues such as conscious application of information, imagination for creating better values and generating new ideas which can be converted to improved products (Feng, 2007).

Innovation in business can be defined as the application of ideas by company for satisfying the needs and expectations of the customers in a better way (Pikkemaat, 2008). From social aspect, innovation is referred to some new methods for making alliance, joint venture and increasing buying behavior of the customers. The first idea of innovation was created by manufacturing. Innovation can be classified into two groups (Tajeddini, 2010) :

Evolutionary is a kind of innovation which are created by some incremental implications in some technologies and procedures

Revolutionary is the type of innovation which is new.

Innovation can be kind of risky implication and the reason is that some firms by applying innovative activity will face new markets. But imitator company take lower

level of risks as they begin their work by an innovator's products (Orfila-Sintes et al., 2005).

Innovation has a different meaning from creativity. Creativity is defined as producing new ideas, new achievement or inventions, while innovation refers to the implication and application of new and creative thoughts and ideas (Weiermair, 2007 in Schuckert, 2011, p. 83). So according to this explanations, it is observed that some companies are creators but not innovators.

3.3 Importance of Innovation

In past, most of organizations were able to continue their job even by just having restricted level of innovation . Their only concern was just preparing high quality for their products and also modifying them to the extend that can keep their competitiveness in market (Wang et al., 2012). This kind of method is still being used by some products which have long lifecycle and limited prospects for innovation.

However in recent years , some methods were initiated to drive innovation procedures. Due to some considerable factors such as globalizations and outsourcing , the need of innovation and improvement of efficiency for organizations is observed in a significant way (Pulido et al., 2011). Nowadays the need of organizations is beyond that just having good provides, they also need innovative developments and a strong management which can reduce the extra costs and improve the productivity of the firm (Lenfle & Midler, 2009).

The other important factor which shows the importance of innovation in organization , can be customer expectations (Gunday et al., 2011). Customers are utilizing the products which are continuously improving and also making their life more comfortable. The customers who are more modern , have more extended source of information and more options about what they want to purchase and who they want to purchase it from (Hjalager, 2010). Customers won't accept weakness as they have this choice to shift to other markets.

The role of innovation is very vital in organization because it is one of the most important factor which can differentiate the products from other competitors (Tajeddini, 2010). If an organization does not have the capability to have competition from the aspect of price, so it will require innovative products , services or idea which can make their business different from other rivals.

Moreover, innovation in one company can be formed according to the level of innovation which other competitors do (Hall and Williams, 2008). Being the first in market by possessing the new products, can equip the organization with an important competitive advantage from the point of customer base view (Martínez-Ros & Orfila-Sintes, 2009). In other hand, it should be noted that, many other companies can easily copy the innovative actions of other businesses and benefiting from their hard working, so this point should be kept in mind during the investment in innovation.

In a broader context , innovation is an important factor for the advancement and the progress of all society around the world (Chen & Cheng , 2012) . New product and

innovation can enhance the norms of life and give the people these opportunities to make their life better (Hjalager, 2010).

3.4 Main Characteristics of Innovation

For a company to be innovative, just having the slogan is not enough. Innovation is a tool which gives the company this capacity to fulfill its strategic goals in a better way and also to achieve competitive advantages (Daghfous & Barkhi ,2009). There are some factors which can be indicators of innovations. These main factors can be listed such as : timing, speed, unique and applicable strategy ,being a leader, creating trust.

Timing This factor can easily influence the contribution and also the applicability of an innovation .Most of the firms have a high amount of good products with a weak timing. This can be the result of some complicated development procedures (Williams, 2007b). Sometimes, chance and luck can play an important role in innovation. Timing is expressing the need of mass adoption for accepting an innovative idea (Daghfous ,2009 in Barkhi,2013,p.56). Hence the reason of the most of failures about innovative ideas , can be found in the context of “ time to market”.

Speed The speed of the innovation is a kind of critical specification in organizations (Rusinovic, 2008). Speed can have a high degree of impact on the costs, quality and the factor of timing of the innovative action and also competitiveness (Matusitz, 2010). Most of the companies are not fast in innovation, so other rivals can have their speed as a competitive advantage in innovation and overcome the time wasting process (Wiklund & Shepherd, 2003)

Unique and applicable strategy The most defining specification of innovation is to possess a kind of unique and applicable strategy. An innovation action in small companies may not be considered globally, but the leader, management, employees, customers and other business partners can have a clear definition of their strategies and policies (Miles, 2005).

Being a leader One of the most important thing that is created by innovation more than any other thing, is market leadership (Bower, 2005 in Gillbert, 2011, p.89). During using the innovation for gaining the goals, the organizations inevitably require some qualified leaders in their markets.

Creating trust The innovative company has to equip its employees with the tool of trust (Yang et al., 2008). Because during the innovative process, there may be a lot of risks and if the employees have this fear to share the offensive ideas, so the innovation process cannot be carried out in a proper way (Hair et al., 2006).

3.5 Innovation Process

Innovation process can be defined as the way which innovative activities are diffused in an industry, organization or market (Rogers, 198). Some researches about marketing related to product diffusion show that some early adopters are called innovators and the later adopters are called imitators.

As the aim of innovation is creating business value, the value itself can have various forms (Hunter & Shaw, 2007). Most of the time, the improvements can be done for products in an incremental way (Yang et al., 2008). The method for the creation of innovation is exploring, creating and developing ideas and polishing them into useful

shapes and utilizing them to gain more benefits ([Cantwell & Mudambi, 2005](#)). So it is obvious that all these processes cannot be done suddenly ([Foss, 2007](#)). According to ([Yang et al., 2008](#)) there are some steps for having a comprehensive innovation process. These steps can be mentioned as follow:

- strategic thinking
- Assortment management and metrics
- Research Understanding
- Innovation growth Market growth.
- Selling

3.6 Innovation in Hotel Industry

Some studies have tried to verify the innovation behavior in hotel industry. According to Jones, the process of innovation has a stepwise form. Most of the time, innovation in hotel is initiated by the personnel who has contact with customers ([Schoar,2002 in Denrell,2005 p.35](#)). So for instance, new service design should cover both the contribution of customers and the association of human resources who are in charge of delivering the service.

According to recent findings of Ottenbacher and Gnoth, there are nine factors which can improve service innovation in hotel such as: market choice, strategic management of human resources, training the employee, market sensitivity, empowerment, behavioral evaluation, marketing synergy, employee loyalty, tangible quality.

Therefore according to the factors mentioned above, applying innovation in only one sector is not effective. So for having a better understanding of innovation, it is better

to classify it. As Orfila- Saintes mentioned, the most common form of innovation in hotels can be technological changes which are performed in some departments and sectors of the hotels. Hence according to (Denrell et al., 2004) the integration of technology which is created internally and commercialization of the suppliers, can lead to gain competitive advantage that can be the result of : 1 – productive efficiency (because the costs are reduced) or 2- development of differentiation (improvement services which are adapted to customers' needs and demands).

Another key aspect of innovation in hotel is *management* innovation which tries to promote the organizational structure. So the management of innovation regards the significance of environment of hotel competitive performance (Shaw & Williams, 2004). Moreover some changes in the structure of organization can achieve organizational innovation. According to (Etgar,2008)., some managerial conflicts can be solved via organizational innovation.

In hotel industry, another common form of innovation can be in form of *external communications* (Prashantham,2008). In this area ICT (Information and Communication Technology) has a critical role on creating new opportunities, roles and modifying the traditional methods of service production (Huang ,2009 in Sharif,2010,p.91).ICT is a applicable innovation which is helpful for increasing the competitiveness of companies it can improve the relationship with customers by utilizing more convenient way of information exchange. Moreover, ICT can enhance the level of communications between companies and intermediaries and suppliers.

Service scope innovation refers to the significance of service delivery in order to achieve competitive advantage for hotels (Saleh , 1992). Service scope innovation refers to changing in service output and contribution of technological capitals which promote the service results and tangible output of service delivery (Conlon, 2004).

Back office innovation, is defined as the association of new technological assets for the promotion of productivity and gaining better service delivery (Cefis & Marsili ,2005). According to (Hipp, 2010), the new products in hotel industry , are not just products , they also have service implication. They include: some modification in back office services or in the ways that customers are served. Therefore the procedure and design of new service is consisted of the mixture of customers' experiences and back office activities (Peneder, 2010).

3.7 Role of managers in innovation process

In many studies, there are some strong supports for top managers which consider them as a critical key enabler of open and free innovation acceptance (Miles, 2008). When there is a discussion about role of managers on innovation activities, many people may have this concept in their minds that traditional management practices have a small contribution to the process of innovation or creativity and they may ask this question that what managers' roles in innovation are. when organizations are ready to do innovative process, all the collaborations should be opened. He suggested that if there is a need to grow innovation within a conventional organization, definitely the roles and duties of managers also require innovation as well. But the question that can arise here is that what kind of innovation is required in management.

The main concept of innovative process in management can be mentioned such as: new kind of leadership, as innovation is directly related to the attitude of senior managers (Huizingh, 2011). Also without having a comprehensive and corporate strategy, innovation could be misconducted and misunderstood. As (Roger,2004) stated , all the attitudes and actions of managers , should settle the context, conduct the procedure , communicate the reasons in a clear way, protect the creative and innovative teams, and welcome any changes. Moreover the leader's role is to prepare an open work environment which is built on trust so everybody can feel free to express their opinions without having any fear (Sundbo et al, 2007).

Management team offers an essential force to establish an implementation framework. Also it has a supportive role to achieve the company's goal in competitive environment (Lindegard, 2010). Briefly it can be mentioned that top management has a very significant role on innovation activities as its role is to overcome the resistance form the people who are challenging the process of open innovation (Mortara et al.,2009)

As (Chiaroni et al., 2011) stated, the role of managers can be defined as a prerequisite for the innovation practices, thus the engagement and a support of top managers is vital. Any shift which intends to open innovation, needs the direct involvement of managers (Mortara et al.,2009). However it should be noted that the involvement of managers can be effective only after operational employees agreed about the need for change.

3.8 Importance of Innovation in Tourism

In spite of being characterized as critical factor of success in tourism industry, the effectiveness and significance of innovation in tourism is difficult to measure and is not being analyzed in best ways . From the point of view of these two authors, there have been limited researches related to the issue of innovation in tourism industry in a surprising way.

There were general complaints related to the lack of innovation in tourism industry which have been mostly justified by empirical researches (Hjalager,2002; Weiermair,2003). There are some reasons for the slow rate of innovation in tourism which can be listed as follow:

- Lack of competition
- High costs and too much risks and uncertainty
- Slow adaption with new technology

The general reason of lack of innovation in tourism is that, tourism is a kind of business which has rational services rather than manufacturing procedures .According to Roger ,(2004) most of the innovation analysis had concentrated on manufacturing businesses and it is clear that tourism sector is considered as service sector. Therefore, the characteristics of service innovation can be utilized for tourism industry because they have a significant role on the comprehension of the innovation procedures in tourism (Sundbo et al , 2007).

3.9 Innovation Models in Tourism

In general there are many innovation models implemented which one of them is Green Innovation Model. In this model all the innovative activities should be done in

a way that they reduce the environmental impacts. According to Enabling Green Growth (2009), green innovation has this capacity to look for more fundamental development and modifications rather than traditional ones. This model is operating as a multifunction factor in nature. If the firms use this model in their organizations, they can be considered as a benchmark and also they will improve their operations in a more understandable way. However the management teams have to consider some factors before using this model in their companies. Some of these factors can be listed as follow:

- To have a better understanding of how this green innovative model can be protected in national and also local stages.
- Specify the methods to quicken the distribution of green innovative model in the tourism sector

Linear models

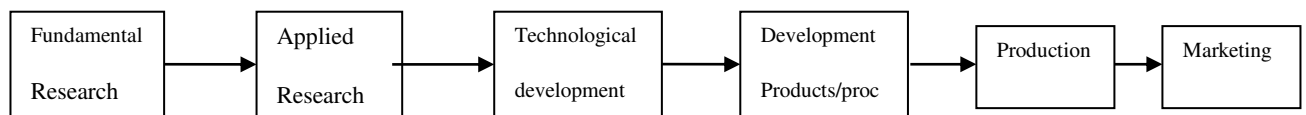


Figure 1: The Linear Model (created by Schumpeter, 1990)

The linear or regular model of innovation is considered as the oldest dynamic form of innovation model. This model also covers Schumpeter's work. It starts directly from innovation and it ends with marketing. This vision is according to the perception of progress such as technical, human and also economic factors.

CENTRIM MODEL

This model is another innovation model for innovation which is created and developed by Francis (2001). The model has a form of wheel which possesses six

main sector and each sectors are divided into three sub sectors. This model offers a comprehensive map of the whole activities required for innovation.

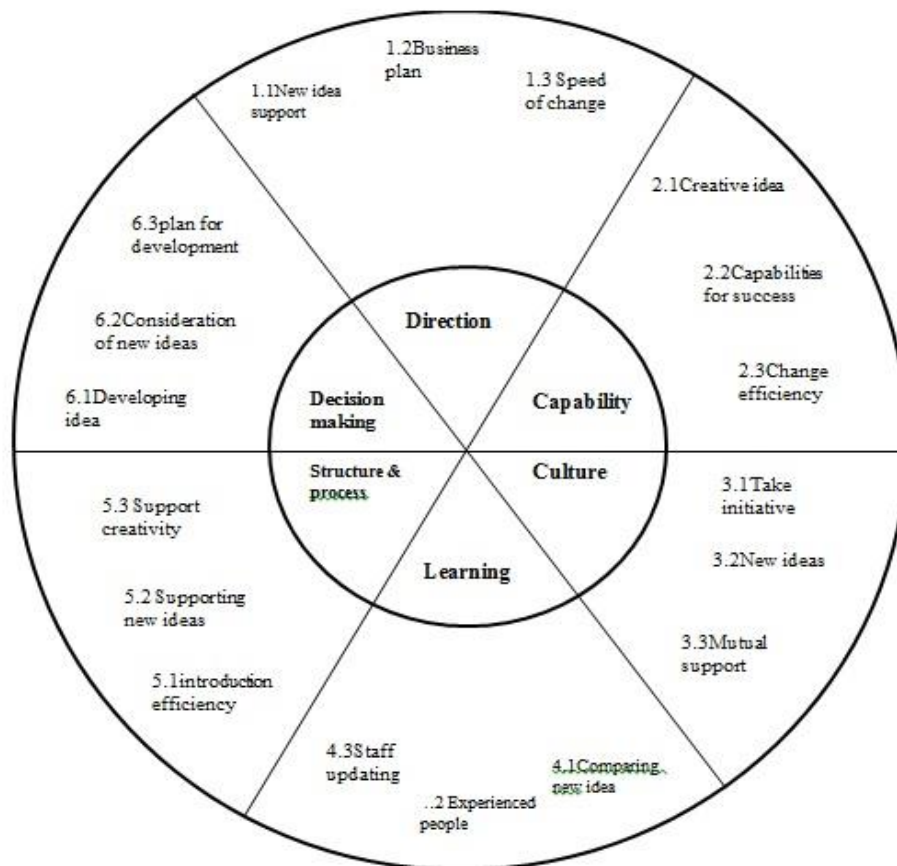


Figure 2. Developed by Francis (2000)

3.10 Service and Product Innovation in Tourism

According to Oslo Manuel, service innovation can be defined as: the implementation of services or goods with advanced performance qualities such as delivering new or better services to customers. This improvement can be in forms of changing the equipment, human resources , working methods , service delivery , employee behavior, training and so on (Arundel et al., 2007).

So , product innovation can be a good or service which is new or got improved according to basic features, technical determinants, integrated software (Krozer's ,2008). Innovation of process can cover some factors such as: developed manufacturing technology, better methods of service supplies and delivery (Montalvo, 2008). In both above mentioned cases, the outcomes should be according to the level of output and quality or the cost of the services or products. Moreover, innovation can be just new for the company, not for the market and it does not matter if the innovation was created by other important companies or other negotiators (Hair et al., 2006).

As the features which illustrate services, have implications for innovation definition, This concept of innovation can be applied for service too (Chan & Wong, 2006). For instance just strategic changes can be considered as innovation, not the differences which are the result of presence or absence of some specified groups. Therefore, innovation can be analyzed from both aspects: 1- the one that is based on new knowledge or technologies which are created internally or 2- the one that transfer knowledge or technology externally (Smerecnik & Andersen , 2011).

According to previous studies and literatures which are about service innovation (Chen & Cheng ,2012) except for some special sectors such as telecommunications or information , service innovation can be initiated firstly by purchasing the equipment, materials, and goods or components from other suppliers in other sectors (Orfila-Sintes & Mattsson, 2009) .

3.11 Marketing Innovation in Tourism

According to (Yongmin Chen, 2006), apart from the innovations of products, there are some innovations in the marketing of products/services. The growth of the recent marketing implements and processes has an important effect on the development of the industry ([Cantwell & Mudambi, 2005](#)).

For example recently, the new methods of collecting customers data via innovative marketing plans and techniques have given the firms these capability to have access to customers in a more effective way and also they were very successful in utilizing the price policies which were not available in past time such as online stores which have broaden the markets for a huge number of companies and they were able to reduce some extra costs of transaction for customers ([Bouquet et al., 2009](#)). Although the importance of marketing innovation is very considerable in tourism industry, there has been little attention regard to this issue in the literature of economy ([Noorderhaven & Harzing, 2009](#)).

3.12 Organizational Innovation in Tourism

Most studies regarded to the issues of innovation, had concentrated on the ways how innovations are just contributed between the individual members of a society (Roger & Eveland, 1978). Most of the innovations reports have demonstrated that just a small percentage of the innovations are just carried out within the organizations ([Puranam et al., 2006](#)). Also some individuals just can accept the innovative actions just in a case that those innovative implications had been approved by their organization ([Foss, 2007](#)). There is a very limited number of studies that have focused on the relevance between the speed of acceptance of innovations and organizational development or operations.

Furthermore, many studies just refer to one kind of innovation which is not comprehensive such as innovations in technical context. It can be mentioned that most studies have not considered the innovations in administrative backgrounds which have an important role in the development and effective organizational performance. According to all these mentioned factors, it is obvious that there should be a balanced level of accepting the administrative and technical innovations implements for having a more operative organization which can be survived and developed in the area of operations. This kind of organization has a longer life rather than the organizations which just consider one dimension innovation ([Ambos & Mahnke, 2010](#)).

3.13 Innovation culture

Many firms find it easy to claim that they are innovation supporter. They are trying to find some methods to do it and also are providing some resources to achieve it ([Andersson et al., 2007](#)). But in real world they are just trying to look at the present results and they don't consider the future ones. Their statements are all about being innovative but in real world they just take some risks to achieve success. However just considering the support of incremental developments in the company , no risks can be achieved. Hence this will be a kind of motivation for teams which can force them to consider the small steps in future and lead the organization to reach innovative ideas.

According to many studies, the culture of organization is a kind of significant principal for the management of the innovation ([Kreiner, 2003 in Mouritzen,2010,p.101](#)). The innovation culture of the firm can be defined as the social and intellectual atmosphere which there is the possibility of sharing the view

about what is true in it and also the mutual confidence and norms of the systems can be used as some patterns for the attitude of the contributors.

This process will begin by having a clear definition of your stage that you want to be there and also allocating the time to understand what will happen to make your idea work out. The other step to create the culture of innovation in organizations can be having the sense of investigation, inquisitiveness and possessing an open mind (Yang et al., 2008).

Moreover as it is mentioned before, one of the most important element of creation innovation culture within the organization, is to take risks. Also having and creating trust inside the organization is one of the prerequisite of taking risks in the companies and this trust within the companies will imply that all the employees and management teams are aware of the consequences of the risks (such as failure) that are taking.

The other important element of creating the culture of innovation inside the companies is giving rewards. Most of the companies after achieving the success will stop at that stage, while they have to recognize this success. This recognition can be in form of some rewards which are motivation and suitable for short term. (Noorderhaven & Harzing, 2009).

3.14 Barriers to Innovation

The main problem of many hotels can be the result of lack of innovations in this industry. The reason of this fact can be observed in the existence of some obstacles. The barriers which can be cause the poor innovative efforts can be mentioned as :

- Not having enough fund
- avoiding the risks, time commitment and improper measures,
- short time focus
- not giving reward for innovative activities,
- insufficient resources,
- communication obstacles

Not having enough fund refers to taking the money away from some program to do some innovative activities. So an excellent level of innovation requires a high amount of money to survive which can be opposite to the annual money cycle and cannot be matched with some opportunities in real word (Andrews, 2005).

Avoiding the risks the nature of all human beings is to avoid from any kind of risks. All of them are trying to maintain their wealth, peace and also mind. But it should be considered that no progress can be carried out without risk taking which is calculated well. Since most of the managers know that innovation is risky , they are trying to run from it which can be the result of their past experiences about some innovative actions which were unsuccessful. When some risks in job environment is specified, the innovation will be stopped but it should be mentioned that a clear balance between risks and benefits can be successful (Andrews,2002).

Time commitment time is defined as a precious item which should be verified and measured by managers. Therefore enhancing the value , profits and determination of innovation activities can lead to free some time to work on it (Andrews, 2005).

Improper measures for most of companies, the only measures to be utilized can be mentioned as: revenue, profits or market share. These measures are much easier to be considered or quantify rather than some intangible measures such as: leadership, knowledge , reputation and etc. so according to these kind of measures, some significant innovations will have difficulty for explaining in the area of returning the investment because the kind of budget in this kind of innovation cannot be defined in a clear way (Andrews,2002).

Insufficient resources this fact will happen in a case that the management teams are not well-equipped with enough resources. For example they don't have sufficient personnel who can be assigned for identifying and implementing innovation activities.

Communication obstacles these kinds of barriers will happen when there are some problems in the area of communication between different departments within the organizations and also employees. This type of barrier often leads to misunderstanding.

3.15 How innovations barriers can be overcome

For solving the obstacles to innovation which were mentioned previously, there is a need to have a systematic approach which consists of four interrelated bases of innovation effectiveness (Chandra & Mills, 2014). The four dimensions of this approach can be mentioned as bellow:

- Leadership and organization
- Process and tools
- People and skills

- Culture and values

Leadership and organization in the companies that are walking toward innovation, leaders are the one who often reinforce the significance of innovation (Tabas et al. ,2011). For having a good innovative plan, the organizations require something much more important than just executive teams and CEO. Of course without a strong leadership team, the innovation process will fail (Velascoet al, 2013).

Process and tools in most of the organizations the people are told to be innovative while they have no sufficient tools and process and they are not well equipped (Sharma al., 2012). Moreover some companies had carried out some kind of processes which are very difficult to be implemented. A good process should:

- allow exploration
- analyzing individual opinion in higher scale before selecting them
- utilizing some trials to verify the critical assumptions (Velascoet al, 2013)

People and skills for having a sustainable competence of innovation, the firms require the creativity of their employees (Chandra , 2009 in Mills , 2014,p.48). If companies employ qualified and talented people , they will definitely reach to innovative efforts in a better way (Sharma al., 2012). Possessing good employees will leads to enhancement of quality and also the quantity of innovation activities.

Culture and values The most significant culture within the innovative companies can be mentioned as: not being scared of failure, creating a very safe area for innovation activities and also accepting the mistakes. (Belassi,et al., 2007). So in many innovative organizations, real and continuous innovations are the result of a

deep and clear culture of innovation. Many companies which suffer from culture flaws, do not have a well-defined culture within the environment (Palmieriet al., 2007).

Finally it can be observed that there are some other alternatives to solve and removing these kinds of barriers. Firstly the engagement with strong minds outside the company and also some powerful support inside the organizations are needed (Velascoet al, 2013). Also it should be considered that since innovation process is complex and requires various persons and sectors, so it cannot be done just by one champion. Secondly the existence of a professional promoter is needed. He / she is the one who got the unique capability and science for innovation problem and can eliminate the barriers.

Finally there should be a person in this innovation process whose role is to promote the power, who has the strength to drive the projects and also to provide some necessary resources to overcome the obstacles (Andrews, 2005).

Chapter4

METHODOLOGY

In this chapter, the information given shows the deductive and descriptive nature of the study. Moreover this section illustrates some data about sampling and population and at last it follows the explanations of data analysis in next chapter.

4.1 Research Methodology

As it mentioned before, the nature of this study deductive and also quantitative. Moreover the kind of this survey is preliminary investigation.

4.1.1. Deductive Approach

For any kind of research, there are two significant approaches which are called: deductive and inductive. The most common difference between these two terms is that:

- In inductive approach, the researcher starts his / her examination by studying and observing some particular instances such as concrete information. By examining this information, the researcher will set up a broad conclusion about the whole class which the specific instances belong to it.
- In deductive approach: the researchers identify an unknown particular which is strained from its resemblance to the set of data.

Generally deductive method, functions from more general facts to more detailed and specific ones. Also sometimes this approach is also called “top- down” that involves

the growth of a theoretical constitution earlier to its testing during experimental surveillance (Gill and Johnson, 1997).

According to all above mentioned the approach for collecting data and examination in this study is deductive. gave the definition of deduction such as “the ideas which lead the investigators to make and examine deductions from the construct. The deductions are practically checked through research , so the support for the theory is achieved (Graziano & Raulin,1993).

Using deductive approach has some advantages such as : 1) obtaining support through testing the data through research (Graziano & Raulin, 1993) 2) giving some description about the integrations between the variables (Altinay & Paraskevas, 2008).

4.1.2 Quantitative Research

One of the most significant attribute of quantitative study is that one or some of the variables can be involved in the procedure of measurement (Muijs, 2010). According to (Altinay & Paraskevas, 2008) as the connection between variable is still under discussion, there is a need for statistical methods to measure those correlations .

Quantitative study depends on some theories such as didacticism and objective theory (Pickard, 2013) and it also has some unique specifications such as being able to be generalized and working with numbers. The easiest definition for quantitative study can be mentioned as : gathering some statistical data to describe a fact and interpreting it by some mathematical techniques (Aliaga & Gunderson, 2000).

4.1.3 Preliminary Study

A research can have two forms: preliminary or secondary. This study has preliminary format as is generated data which are the result of asking some questions and they have the capability to direct some trials. Moreover this study has the analytical form.

4.2 Instrument Development

Here the term instrument can be defined as the measurement tools which are utilized by investigators which consist of questionnaires and survey (Guba & Lincoln, 1994).

4.3 Survey Design

The questionnaire was a self-administered questionnaire which addressed to managers of the targeted companies. It was prepared by developing survey designed by, Francina Orfila –Sintes & Jan Mattsson (2007) mentioned above. The questionnaire included three main parts. It started with explaining the aim of the study and contact data, and then the first part was conducting merely hotel detail. It was followed by the main part which was estimating all the features about the innovation in hotels; and the third part was ethnographic study.

4.4 Data Collection

The data collected will be interpreted under the light of relevant literature in order to have reliable conclusion. This will benefit the practitioners and academics of the field. Briefly, the data needed for the research purpose were collected via face to face interview and structured questionnaires. During the distribution of the questionnaires, the aim was explained to the respondents.

4.5 Population and Sampling

The data in this study is aimed to be gathered from the fast developing tourism sector including three, four and five star hotels, travel located in TRNC. The convenient

sampling will be used in determining the number of respondents. In a more focused sense, convenient samples are non- probabilistic samples and quite often a convenient sample is not a sample at all in sense that those selected are chosen on the basis of some distribution of multiple characteristics; rather the samples are chosen because they share certain very clearly defined core characteristics. (Veal, 1997). This study has been planned to include the managers of the aforementioned sub-sector of the tourism industry.

4.6 Data Analysis

The data collected will be entered into statistical package for the social sciences (SPSS) program in order to compute the necessary statistics, including means, standard deviations, frequencies and ANOVA (analysis of the variance) tests. Anova tests are for the significance of the differences between more two sample means. (Levin & Rubin ,1997). In an arithmetic average valuation unit. It is the average number of the points which people have given to a certain statement out of a five point Likert's scale.

4.7 Questionnaire Structure

In this study, a structured questionnaire was used for data which its design was helpful to achieve the goal of research. The questionnaire showed in last section of the research, presents a clear perception about the impact of innovation in hotel industry. All the features in questionnaire were firstly provided in English and translated into Turkish by using back translation technique (Parameswaran & Yapark, 1987).

4.8 CENTRIM Model

In this study, Innovation Capability Reference Model (Francis, 2000) is used. This wheel diagram possesses six main areas and also 18 components which are developed empirically. This model is developed by Grounded theory.

Grounded theory process is defined as a procedure which possesses the phenomenological and also positive basis which can achieve confusion and misinterpreting of the method. Grounded theory is utilizing the methodological system which shows the conflicting factors and issues that are related to the nature of this theory (Woodcock & Francis, 2001).

This model is covering the technological and organizational dimensions of innovation and it also can measure innovation. By using the Centrim model, the organizations were capable to evaluate innovation activities in a wide context of organizational context (Woodcock & Francis, 2001). In each sector of this model, there are three subdivisions which give a total 18 sectors. The questions in the model were closed ones which were according to five-point Likert Scale, which number 1 was the representative of poor performance and 5 indicated high performance.

The main six elements of Centrim model are as follow:

- Direction of a creative business
- Development of creative capabilities
- Building a kind of creative culture
- Management of learning for ideas

- Organization of creativity
- Making wise decisions

The Centrim model presented on the following page, could illustrate and offer a mental map of the whole before discovering the parts.

CENTRIM MODEL

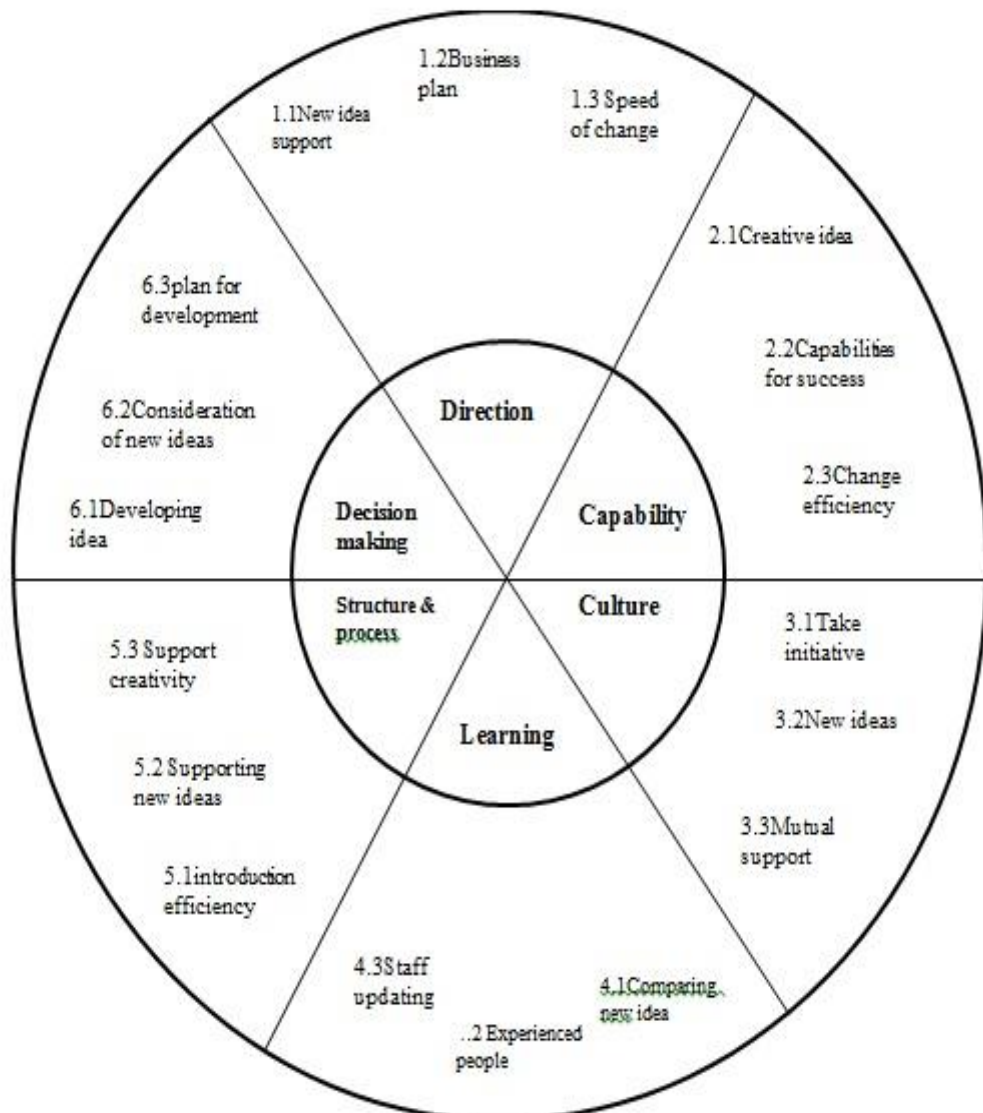


Figure 3. Developed by Francis (2000)

Chapter 5

RESULTS

In previous chapters, the importance of innovation in hotel industry and also tourism was explained. Moreover various methods (such as innovation models) were also described.

This chapter concentrates on the results which are gained in the procedure of gathering data. It begins by demographic results which related to the respondents and targeted hotels. The next part is about some descriptive information about the statues of innovation in North Cyprus hotels. Moreover, there is also some information which refers to the measurement of innovation in hotels.

5.1 Demographic Specifications of Sample

Statistical literature, usually utilizes frequencies and percentage to generate a descriptive analysis for respondents' attitudes. Thus SPSS program (20) is used to prepare the required frequencies. Table1 shows the information in two different sectors such as follow:

- 1 demographics of respondents
- 2- demographics of the hotels

Table 2. Respondents' profile

<u>Age</u>	<u>Frequency</u>	<u>(%)</u>
18-29	13	17.0
30-39	49	63.0
40-49	13	17.0
50- above	2	3.0
Total	77	100.0
<u>Gender</u>		
Male	62	80.0
Female	15	20.0
Total	77	100.0
<u>Education</u>		
Middle school and high school	15	19.0
Vocational school	19	25.0
University	40	52.0
Master/PHD	3	4.0
Total	77	100.0
<u>Tenure</u>		
Less than 1 year	1	1.0
1-5 years	43	56.0
6-7 years	31	40.0
11-15 years	2	3.0
Total	77	100.0
<u>MS</u>		
Single	22	29.0
Married	55	71.0
Total	77	100.0
<u>Type</u>		
Holiday	46	60.0
Business	28	36.0
Other	3	4.0
Total	77	100.0
<u>Star</u>		
5 stars	28	36.0
4 stars	43	56.0
3 stars	6	8.0
Total	77	100.0
<u>Rooms</u>		
More than 250	33	43.0
100-250	38	49.0
Less than 99	6	8.0
Total	77	100.0
<u>Ownership</u>		
Private	46	60.0
State	13	17.0
Family	18	23.0
Total	77	100.0
<u>Job</u>		
Owner	1	1.0
General manager	9	12.0
General manager assistant	6	8.0
Department manager	23	30.0
Supervisor	23	30.0
Other	15	19.0
Total	77	100.0
<u>Department</u>		
Housekeeping	2	3.0
F and B	7	9.0
HR	14	18.0
Marketing	13	17.0
Administration	18	23.0
Technical	7	9.0
Security	7	9.0
Front office	9	12.0
Total	77	100.0

According to Table 2, more than half of the respondents (63%) were between the ages of 30-39 , followed by 17% between the ages of 18-29 and 40-49. The lowest range of age (3%) belonged to the ones who were more than 50

This table also shows that the percentage of males were much more than females , 80% of the respondents consist of male and the rest were female.

More than half of the respondents (52%) had university level education followed by 25% vocational school , 19% middle school and high school and the rest (4%) had PHD degree.

Also in tenure part, it is observed that around (56%) of the respondents had the tenure between 1-5 years, and also 40 % were between 6-7 years. The lowest percentage (1%) refers to less than one year.

In marital status section, it is observed that the majority of the respondents (71%) were married.

In the part which relates to hotel type, it is seen that more than half of the hotels (60%) were holiday hotels followed by 36% business.

Regarding to Table 1, 4 stars hotels, had the highest percentage (56%) , second position belongs to 5 stars and 3 stars (36% and 8 % respectively).

Almost half of the hotels (49%) offers rooms between 100-250 , followed by 43% that had the rooms more than 250.

About the type of ownership, it is observed that, 60 % of hotels were private ones, 23% family hotels and the rest (17%) were state hotels.

Moreover, Table 2 indicates that most of the respondents' jobs (30% for each) refer to department management and also supervisors, followed by general managers (12%).

Finally, most of the department types (23%) were administration, the human resource (18%) followed by marketing section (18%). The lowest percentage (3%) of department type refers to housekeeping.

Table 3. Ranking the main barriers impediments to Centrim model

Variable	N	Mean	Standard deviation
Building creative culture	77	4,83	,80862
Directing a creative business	77	4,86	,68703
Developing creative capability	77	4,92	,77073
Organizing for creativity	77	4,96	,75816
Managing learning for new ideas	77	5,02	,56134
Taking wise decision	77	5,06	,71681

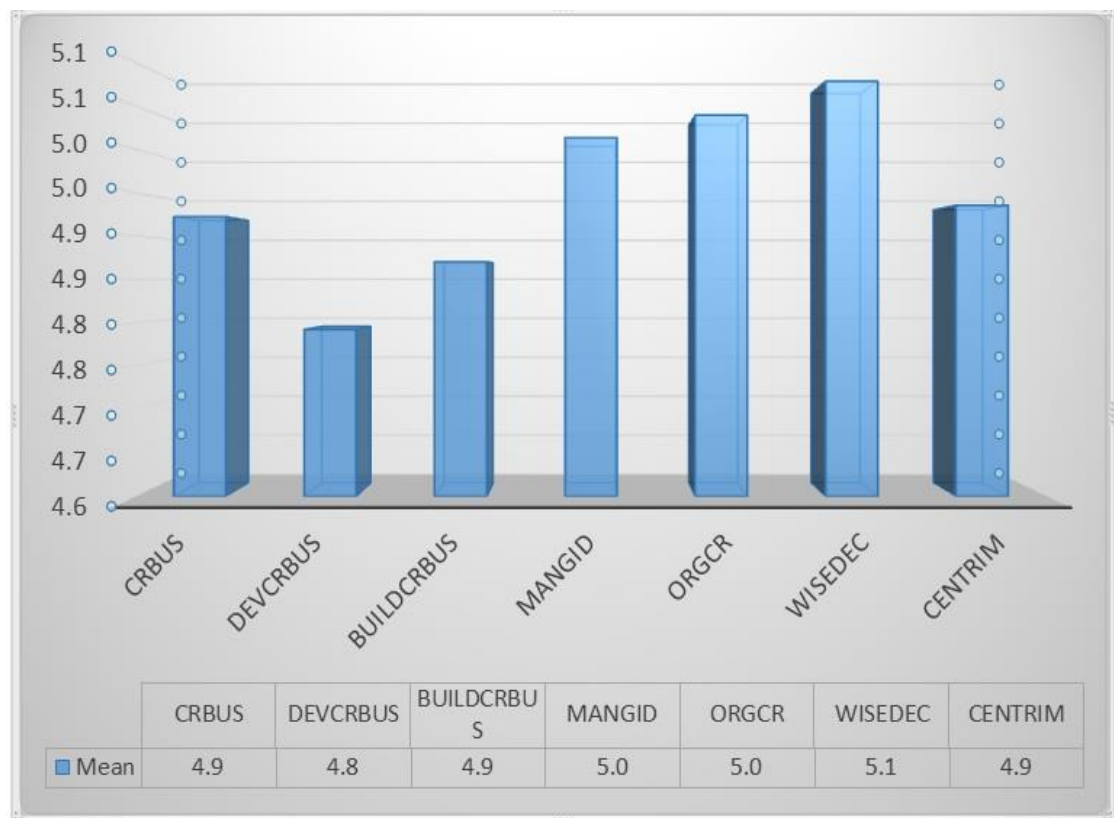


Figure 4. The Mean Results

By observing Table 3 which gave the data about T- statistics means for Centrim model , it is understood that among of six variables, the lowest means belong to **building creative culture, directing a creative business and developing creative capability** which got the means (4,8312, 4,8571 and 4,9177) respectively.

Therefore it can be understood that in general, hotels in TRNC suffers from the lack of these three factors which can be considered as barriers for innovation.in contrast, as seen in Table 3, some variables such as **taking wise decision** , **managing learning for new ideas** and **organizing for creativity** have got the higher rank. The first three mentioned items are considered as weak points of TRNC hotels against innovation process and the last three items are the strength points for them. Also all of this data are shown in diagram too, which could illustrate the amount of variable means in a more clear way.

Table 4. Ranking of the factors impediment to innovation

Variable	N	Mean	Standard deviation
Building creative culture	77	4,75	,81363
Developing creative business	77	4,80	,85899
Building creative culture	77	4,81	,86947
Organizing for creativity	77	4,81	,83866
Developing creative business	77	4,83	1,03113
Developing creative business	77	4,85	,86928
Directing a creative business	77	4,87	,93683
Directing a creative business	77	4,87	,97806
Managing learning ideas	77	4,96	,69664
Taking wise decision	77	4,97	,88814
Organizing for creativity	77	4,98	,86593
Building creative culture	77	5	,72548
Directing a creative business	77	5,01	,83498
Managing learning ideas	77	5,03	,78542
Managing learning ideas	77	5,07	,70274
Organizing for creativity	77	5,09	,90586
Taking wise decision	77	5,09	,72877
Taking wise decision	77	5,11	1,03839

As seen in Table 4 which indicates the means for Centrim innovation model, it can be observed that some variables, by having the lowest level of means, are considered as the factors which the lack of them in TRNC hotels, leads to the generation of some

obstacles to innovation. As it mentioned already, according to the means illustrated in Table 4, these variables are: **building creative culture**, **developing creative business** and **organizing for creativity**. In other hand, there are some factors which hoteliers were more willing to carry them out in their firms such as **taking wise decision** and **managing learning ideas**.

Table 5. Ranking of the factors impediments to innovation according to type of hotel (3 star hotels)

Variable	N	Mean	Standard deviation
Developing creative capability	6	4,78	,40369
Building a creative culture	6	5	,51640
Directing a creative business	6	5	,54433
Organizing for creativity	6	5,22	,72008
Taking wise decision	6	5,33	,21082
Managing learning for new things	6	5,33	,36515

Regarded to the data illustrated in Table 5, which classifies the mean innovation model for 3 star hotels, it can be understood that for this hotels the obstacles against innovation process are: **developing creative capability**, **building a creative culture** and **directing a creative culture**. Actually the lack of these items in TRNC hotels can be considered as some serious barriers. in other hand, for 3 star hotels the strengths can be mentioned as : **making a creative culture**, **taking wise decision** and also **organizing for creativity**. Therefore 3 star hotels have to put more efforts on first three variables to omit them and for the next three factors, they should keep them in their best statues and reinforce them.

Table 6. Ranking of the factors impediments to innovation according to type of hotel
(4 star hotels)

Variable	N	Mean	Standard deviation
Developing creative capability	43	4,87	,67071
Building a creative culture	43	4,9	,58969
Organizing for creativity	43	5	,70523
Managing learning for new things	43	5,01	,49843
Directing a creative business	43	5,03	,71201
Taking wise decision	43	5,09	,8616

In Table 6 , mean innovation model are being ranked for 4 star hotels. By comparing this table to the previous one, it can easily be observed that in 4 star hotels, also there is the lack of developing creative culture and also building a creative culture which is as same as what is going on in 3 star hotels. These two factors are considered as critical barriers to innovation, both in 3 and 4 stars hotels. Moreover the other common factor between 3 and 4 star hotels is that taking wise decision is considered as their strength.

Table 7. Ranking of the factors impediments to innovation according to type of hotel
(5 star hotels)

Variable	N	Mean	Standard deviation
Directing a creative business	28	4,7024	,86704
Developing creative capability	28	4,7738	1,05039
Building a creative culture	28	4,7738	,85131
Organizing for creativity	28	4,8571	,84828
Taking wise decision	28	4,9524	,17628
Managing learning for new things	28	4,9762	,67237

According to Table 7, unlike the common barriers that exist between 3 and 4 star hotels, the first barrier is considered as **directing a creative business** followed by

developing creative capability. However for 3 and 4 stars hotels, the first weak point was the lack of **developing creative capability**. Moreover, being compared to 3 and 4 star hotels, 5 star hotels possess **managing learning for new things** as their priority.

Table 8. Ranking of the variables in gaining competitive advantage

Variable	Mean	Standard deviation
Comfort to guest company	4,54	,61869
Price quality relation company	4,44	,54996
Technological advances company	4,37	,60782
Customer centred service company	4,37	,64968
Brand recognition company	4,31	,73017

According to Table 8 which indicates the importance of factors to gain competitive advantage, it is observed that for all of the hotels, the most significant factor to achieve competitive advantage is **comfort of guests**. The undeniable importance of customer satisfaction nowadays becomes a priority for most of organizations. Moreover the next two important features for the majority of hotel industries in North Cyprus were considered as: **price quality** and also **technological advances company**. On the other hand, the factor which is not too important for hotels in TRNC is **brand recognition**.

Table 9. Ranking of the innovation types

Variable	Mean	Standard deviation
Marketing innovation type	4,45	,59701
Product service innovation type	4,42	,61620
Business process innovation type	4,37	,56286
Management innovation type	4,32	,57220
Organization structure innovation type	4,15	,62964

In Table 9, the different types of innovation which should be implemented in near future, are presented and according to the means calculated in this table, it can be understood that for TRNC hotels, the most considerable innovation type to be implemented, is **marketing innovation** which is followed by **product or service innovation**. Nowadays the important role of marketing activities on companies' success cannot be ignored, as innovation in marketing can be one of the best way to achieve competitive advantage among the other rivals. It can be concluded that marketing innovation is related to customers' comfort and their satisfaction as the definition of marketing is how to satisfy customers' needs and wants in a best way. Moreover according to Table 9, it could be observed that the less important factors to be implemented in North Cyprus hotels are such as: **management innovation** and **organization structure innovation**. Here organizational structure can refers to the architecture, design, facilities or the furniture of the hotels which is not too considerable for TRNC hotels.

Table 10. Ranking of the innovation practice implemented

Variable	Mean	Standard deviation
Customer loyalty innovation practice	4,66	,52841
Marketing and promotion innovation practice	4,57	,54841
F and B innovation practice	4,48	,64094
Technology and company innovation practice	4,31	,63370
Entertainment innovation practice	4,23	,68626

Table 10 has illustrated the different types of innovation activities which are already implemented in North Cyprus hotels. Among all these factors, **customer loyalty innovation practice** and also **marketing and promotion** are the most substantial innovation types which are implemented in a higher level compared to the other types of innovation. Customer loyalty is considered as a key factor for more

profitability as a satisfied customer can also recommend others to buy or use the same service. On the other hand the less important factors implemented from the aspect of innovation for hotels, were: **technology and entertainment innovation** which the reason may be found in lack of budget and funds for these two above mentioned factors.

Table 11. Ranking of the Technological Application in hotels

Variable	Mean	Standard deviation
Online reservation applied	4,44	,59590
Green energy use applied	4,38	,67191
Usage of facilities applied	4,32	,61647
Hotel management software applied	4,29	,60838

Table 11, presented the importance of technological applications in TRNC hotels. According to Table 11, the most considerable applications which had the higher level of usage and implementation, were: online reservation and also green energy use. Online reservation is one of the best facilities which has been offered to the customers which most of them are coming from abroad and long distances and this application will help them to save their time and money for reservation. And also green energy refers to the usage of recyclable and less consuming tools. Also table 10 presents that hotel management software is less important technological application which is conducted in TRNC hotels.

Table 12. Frequency of innovation types descriptive statistics

Variable	Mean	Standard deviation
Product or service innovation applied	4,35	,68376
Business process innovation applied	4,23	,70517
Management innovation applied	4,23	,68626
Marketing innovation applied	4,20	,63531
Organizational structure innovation applied	4	,64889

In Table 12, the frequencies of innovation types are showed. According to the means presented in Table 12, the first three items which had the highest usage in North Cyprus hotels are: **product or service innovation, business process innovation and management innovation**. Among all these three variables, product or service innovation had the higher rank which means most of the innovation activities which carried out in hotels, were related to the product or service. This innovation can have different forms such as promoting the products, developing the way of service offerings, enhancing the quality of products and so on. However the table also shows that the less used innovation activities in hotels are such as: **marketing innovation** and also **organizational structure innovation**. Thus most of the efforts of TRNC hotels should be focused on these two items which can be considered as weak points for them as the role of marketing innovation is very vital to achieve core competency.

Table 13. Frequency of innovation type applied

Scale	Frequency	Percentage
Often	45	58,4
Very often	16	20,8
Undecided	16	20,8
Total	77	100,0

In Table 13, the frequencies and percentage of organizational structure innovation applied in TRNC hotels, are demonstrated. According to the percentages in table, it can be concluded that the majority of hotels (58%) often applied organizational structure innovation in their firm which is followed by 20 % of the hotels which very

often utilized this type of innovation in their organizations. The rest (20%) were undecided about the application of this type of innovation in their hotels.

Table 14. Marketing innovation applied

Scale	Frequency	Percentage
Often	37	48,1
Very often	29	37,7
Undecided	11	14,3
Total	77	100,0

Table 14 is representing the frequencies and percentage of marketing innovation application in North Cyprus hotels. According to table 14, it is observed that almost around half of the hotels (48%), often applied the marketing innovation in their organizations. Moreover almost 37% of hoteliers applied this kind of innovation very often and the rest(14%) were undecided about it.

Table 15. Management innovation applied

Scale	Frequency	Percentage
Often	43	55,8
Very often	25	32,5
Undecided	9	11,7
Total	77	

As seen in Table 15, the frequencies and percentages for management innovation applied in North Cyprus hotels are given. According to Table 15, more than half of the hotels (55%) often had applied management innovation in their hotels, followed by 32% of hoteliers who carried out this type of innovations in their firms very often. The rest of hoteliers (11%) were indifferent or in other words undecided about the application of this item in their organisations.

Table 16. Business process innovation applied

Scale	Frequency	Percentage
Often	46	59,7
Very often	26	33,8
Undecided	3	3,9
Rarely	1	1,3
Very rarely	1	1,3
Total	77	100.0

Table16 demonstrates the percentage and frequencies of hotels which has applied business process innovation in their structure of firms. According to the data offered in Table16, the majority of managers (59%) had often applied this type of innovation in their firms which is followed by 33% who utilized business process innovation in their companies very often. The minority of percentages refers to the hoteliers, who were undecided (3.9%), and the ones which rarely (1,3%) or very rarely (1,3%) applied this innovation in their organizations. This data show us that for North Cyprus hotels, business process innovation is considered as a priority.

Table 17. Product or service innovation applied

Scale	Frequency	Percentage
Often	40	51,9
Very often	33	42,9
Undecided	3	3,9
Very rarely	1	1,3
Total	77	100,0

As seen in Table 17, the data related to the frequency and percentage of product or service innovation, will show that almost half of the hotel industries (51%) in TRNC, often utilize product or service innovation in their framework. Moreover it can be also observed that around 42% of the hoteliers applied this type of innovation very often in their organizations

followed by 3,9 % who were undecided about the application of product or service innovation and the rest (1,3%) considered this item in their firm very rarely.

Table 18. Frequency based on customers willing to pay for the innovations implementation

Scale	Frequency	Percentage
Often	40	51,9
Very often	33	42,9
Undecided	3	3,9
Very rarely	1	1,3
Total	77	100,0

The data illustrated in Table 18, refers to the frequency which based on the customers willing to pay for innovations implementations. According to the table , it is obvious that the majority of customers intended to spend money for innovation activities as almost half of them (51%) often do it followed by 42% who pay for innovative activities very often. This can be the result of modern life and the development of hotel industries all over the world so the customers are willing to adapt themselves to the new features and innovative activities. A limited percentage (3,9%) was not sure about paying for innovative activities and the rest (1,3%) did it very rarely. This small percentage can refer to the old generation who could not adapt themselves to technology advancement.

Table 19. Hotel's competition and customer satisfaction

Scale	Frequency	Percentage
Very important	64	83,1
Important	9	11,7
Not decided	2	2,6
Partially important	1	1,3
I do not know	1	1,3
Total	77	100,0

In Table 19, the information about hotel's competition and also customer satisfaction are given. According to the data represented in Table 19, the majority of hoteliers (83%) in North Cyprus hotels, had agreed that competition and also customer satisfaction is their first priority which is very important to them. Moreover around 11 % of managers considered this factor as important, the rest which were a small number, were undecided or they were not sure about it. According to this table, the significant role of customer satisfaction to achieve competitive advantage in hotels is obvious. Nowadays the needs and wants of customer is becoming the first concerns of managers. Because as it mentioned before , a satisfied customer can be considered as a source of profitability.

Chapter 6

DISCUSSION AND CONCLUSION

The aim of this study was to diagnose the innovation barriers in TRNC hotels and how to solve these obstacles. Also this thesis has observed the types of implementation which can be carried out regarded to the significance of innovation in hotel industry. The study was done according to the accessible theory which related to innovation activities, in literature review. In this study, Centrim model was utilized which is developed according to grounded theory (Francis, 2000). This model consists of six main components and each component has divided into 3 subsectors too that are already discussed in previous chapters (methodology and review literature).

In this chapter, the detailed information related to discussion and conclusion, are presented. It discuss about the results which were illustrated in former chapter, according to the literature Moreover , implications are prepared for hotel managers, owner and the people who are in charge for innovation activities in hotels of TRNC. The next part is conclusion, which can give a deep comprehension of the innovation impacts in hotel industry. At last, the limitation of current study and some guidelines for further studies are shown.

6.1 Discussion

As the characteristics of innovation are considerable factors in both hotel and hospitality, therefore it is necessary to consider this issue in the area of academic research.

In this research, the demographic data are indicated in two parts: the data of respondents and the data of targeted hotels.

In general , by observing the demographic table, it can be understood that young generation are more attracted to innovation topic in hotels rather than elderly, and also it is obvious that in this survey there is no positive relationship between the stage of education and consideration to innovation. Moreover the higher level of being tenured, the higher the person is willing about the topic.

Furthermore, by considering the demographic table, it is obvious that in private hotels , innovation activities are more welcome rather than others. In other words the managers of smaller firms are more interested in innovation activities. Also regarded to the jobs of respondents, it is seen that most of their job is being a supervisor or department managers.

The general concept of this study is to diagnose the barriers which exist to innovation activities in hotels of TRNC. According to the findings in previous chapter, it is obvious that most hoteliers in North Cyprus suffer from lack of innovation culture. This critical obstacle had also been studied in many literatures. Generally most of the hotels don't have enough innovation culture.

According to the statistics mean CENTRIM Model which was discussed in previous chapter, **building creative culture**, **directing a creative business** and also **developing creative capability** were the main three weak points of hotels in North Cyprus in general.

For 3 stars hotels, the main barrier are again not having **creative capability**, **building creative culture** and **directing a creative business**. On the other hand, 3 stars hotels have some strength too which can be mentioned as: **managing learning for new things**, **taking wise decision** and also **organizing for creativity**. Therefore, 3 stars hotels manager have to put more effort to eliminate the barriers and also they have to try their best to keep their strengths and reinforce them.

4 star hotels also have the same statues as 3 stars, for them the main and the most considerable weak points are the lack of **creative culture** and **developing creative culture**. These two barriers are the common problem between 3 and 4 stars hotels. However for 5 stars hotels, the first barrier is considered as **directing a creative business** followed by **developing creative capability**. Unlike the common obstacles between 3 and 4 star hotels, for 5 star hotels the first weak point is the lack of **directing a creative business**. Furthermore, 5 star hotels consider **managing learning for new things** as their priority which for 3 and 4 start hotels, the strength point is **developing creative capability**. Also this study shows that most of important decisions are often made by supervisors and department managers from both aspects: provision and implementation.

Moreover, according to the results presented in previous chapters, TRNC hotels considered some factors as the most significant ones for them to be survived in competitive environment. Some of them were: customers' satisfaction and their comfort, price quality, product or service innovation and also customer loyalty. On the other hand some innovation practices still remained uncompleted for them such as: entertainment innovation or structure innovation.

From the aspect of technological innovation, it was observed that for TRNC hotels, the application of online reservation and also green energy were the most two important factors. Green energy usage which is a kind of innovative activities, nowadays has become a very common challenging issue between the international hotels all around the world. Applying the green energy in hotels helps to reduce the extra costs and prevent money wasting. Also online reservation is the best tool for customers to save their time and energy for easy booking.

Moreover according to the findings in previous chapter, it was clearly observed that almost majority of the customers were willing to pay for innovations implementations. The reason can be found in the changes which are occurring day by day in competitive world nowadays, and most of customers intend to have new experiences and adapt themselves to these new changes.

To overcome the barriers which exist within North Cyprus hotels, according to Centrim model, some solutions can be done. For example for the first critical barrier, which was lack of innovation culture, managers can do some activities such as : 1)

creating new ideas and also preparing an open work environment 2) taking some initiatives 3) mutual supports inside and also outside of the company.

The second obstacle within the North Cyprus hotel which was lack of directing a creative culture, the managers can do these implications : 1) new idea support 2) having a well-organized business plan 3) the speed of changes also should be considered.

And at last for omitting the last obstacle which was lack of development of creative capability, there are some solutions too which managers can implement them according to Centirm model components which are such as : 1) having a creative idea 2) capabilities for success and also 3) changing the efficiency

6.2 Conclusion

According to the findings obtained from this research, some overall remarks can be considered as conclusion which can be mentioned as: the importance of demographic data in descriptive researches regarded to hotels and innovation procedure is indispensable.

Privatization has a considerable impact on the improvement of innovation procedure in hotels. In other words the best management team regarded to innovation is the one which is completely familiar with all arenas of its sectors. Innovation is an undeniable fact which can revive the strategic development in hotels by making a formalized procedure.

Also it should be noted that the first barriers in North Cyprus hotels to innovation is the lack of creative culture. So according to the types of weak points which were mentioned before and also regarded to the review literature which discussed about the main barriers which exist in hotel industry in general, it can be concluded that the most critical barriers to innovation in TRNC hotels are : not having enough fund ,lack of innovation culture, avoiding the risks , not having enough rewarding systems , insufficient resources and also communication difficulty.

Thus according to all of the barriers which are already explained , the best ways to omit and overcome them are : improvement of leadership and also organization structure, allocating the best tools to a high qualified personnel and also training the employers to get more familiar to culture of innovation. The concept of culture of innovation is being discussed in review literature section and according to the results, it is obvious that this culture is a critical and vital factor for organization to achieve innovation and survive in competitive environment.

Finally, the survey illustrated the effectiveness of innovation and showed how innovation is an effective approach for developing and improvement. So hoteliers should be aware of tracking innovation process and also the most important thing is that they have to diagnose the weak points of their organization and try their best to overcome them, otherwise these weak points can be considered such as critical obstacle to innovation.

6.3 Implication

In this study, some implication can be drawn which can be utilized in hospitality section specially it may have some advantages for hotel management and the people who have the key role in making decision process about innovation.

Hospitality industry in North Cyprus is a critical issue, as the economy is being influenced by tourism industry. Moreover, innovation is a factor which can have some impact on the hotel from different dimensions such as fiscal, customer satisfaction and so on. Therefore by considering all these, the significance of innovation, specially in TRNC cannot be denied.

It is also necessary for managers to know the function of innovation and to recognize some important criteria about it for example: which section needs innovation process or which section suffers from the weaknesses which leads to generate the barriers to innovation, when there is a need to innovation and which type of innovation should be implemented.

Finally, hotels in TRNC can use the benefits from some researchers who are expert in innovation issues as they can enhance the sale in a certain way. Moreover, the existence of a special department or sector is required in hotels to do research, estimate and implicate the innovation procedure and diagnose the weak points to work on them. For achieving this goal, a very well organized communication between the academic and business environment is needed.

6.4 Limitation and future study

In this study to address the limitations, first of all the non- innovative hotels were not observed for providing a control sample and also some of the innovative performances of some hotels were not related to the elements which were mentioned in the reference model. Secondly this thesis was just carried out just about the hotel industry in TRNC which is a small and limited society. Thirdly the existence of open – ended question was a good tool for respondents to feel free about the topics and they may have mentioned their own idea about the weak points which can ruin their innovation efforts.

At last if this survey was also conducted in another hospitality sector such as restaurant or airline companies, the finding would have been generalized in a better and clearer way.

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APPENDIX

Appendix A: Kuzey Kıbrıs'daki Otellerde İnovasyonun Geliştirilmesi İçin Yapılması Gerekenlerin Tesbitine Yönelik Bir Alan Çalışması

Bu araştırmanın amacı, otelinizde uygulanan ya da uygulanacak İnovasyon (yenilik) faaliyetlerinin uygulanmasında mevcut ya da olması muhtemel engel ya da sorunların tespit edilerek önerilerde bulunmaktır. Araştırma tamamen akademik bir çalışma için yapılmaktadır. Bu nedenle ek'de sunulan anketi doldurmanızı rica ediyoruz.

Bu araştırma sırasında toplanan bilgiler kesinlikle gizli tutulacaktır. Araştırmamız için ayırdığınız zaman ve verdiğiniz destek için teşekkür ederiz.

Araştırma ile ilgili herhangi bir soru ya da öneriniz varsa lütfen bize aşağıdaki elektronik posta ya da telefon dan ulaşınız.

İşbirliğiniz için teşekkür ederiz.

Saygılarımızla,

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I. Bölüm

1. Aşağıdaki önermeleri otelinize rekabet avantajı sağlaması açısından (rekabet etme) önem derecelerine göre 1 ile 5 arasında X işareti koyarak belirtiniz.

1. Hiç önemli değil 2. Önemli değil 3. Kararsızım 4. Önemli 5. Çok önemli

1	Otelin marka olarak bilinirliđi	1	2	3	4	5
2	Fiyat ve kalite iliřkisi	1	2	3	4	5
3	Yüksek derecede gerçekteřtirilen inovasyon/yenilik uygulamaları – teknolojik yenilikler dahil	1	2	3	4	5
4	Otelde sunulan hizmet müşteri odaklı olarak tasarlanması (beklentilere göre)	1	2	3	4	5
5	Otelde kalan misafirlere sunulan rahatlık ve konfor	1	2	3	4	5

2.Ařađıda verilen İnovasyon (yenilik) türlerini önem derecelerine göre 1 ile 5 arasında X iřareti koyarak cevaplayınız.

1. Hiç önemli deđil 2. Önemli deđil 3. Kararsızım 4. Önemli 5. Çok önemli

1	Örgütsel yapı (organizasyonile) ilgili inovasyon	1	2	3	4	5
2	Pazarlama ile ilgili inovasyon	1	2	3	4	5
3	Yönetimle ilgili inovasyon	1	2	3	4	5
4	İř yapma süreçleriyle ilgili inovasyon	1	2	3	4	5
5	Ürün ya da hizmetlerle ilgili inovasyon	1	2	3	4	5

3.Ařađıdaki bölüm yada alanlarda gerçekteřtirilen inovasyon uygulamalarının önem derecesini 1 ile 5 arasında deđerlendirerek ilgili kutuya X iřareti koyarak cevaplayınız. (Sizce hangilerinde inovasyon uygulamaları daha önemlidir?).

1. Hiç Önemli deđil 2. Önemli deđil 3. Kararsızım 4. Önemli 5. Çok önemli

1	Teknoloji ve iletiřim	1	2	3	4	5
2	Pazarlama ve tanıtım	1	2	3	4	5
3	Müşteri bađlılıđı yaratma (Loyalty programları)	1	2	3	4	5
4	Eđlence	1	2	3	4	5
5	Yiyecek ve iecek	1	2	3	4	5

4. Otelinizdeki faaliyet alanları ile ilgili olarak ařađıdaki alanlarda gerçekteřtirilecek teknoloji ile ilgili uygulamaları önem derecesine göre 1-5 arasında X iřareti koyarak cevaplayınız. (Teknolojik olarak hangi alanlarda inovasyon daha önemlidir).

1. Hiç Önemli deđil 2. Önemli Deđil 3. Kararsızım 4. Önemli 5. Çok Önemli

1	Yeřil enerji kullanımı ile ilgili teknolojik yenilikler (ör; enerji tasarruf sistemleri vs.)	1	2	3	4	5
2	Online rezervasyon sistemleri (websayfası, GDS vb..)	1	2	3	4	5
3	Otel yönetimi ilgili yazılım programları (Opera, Micros, Fidelio vb..)	1	2	3	4	5
4	Fasilitelerin kullanımı ile ilgili teknolojik yenilikler	1	2	3	4	5

5. Ařađıdaki inovasyon türlerini hangi sıklıkla uyguladıđınızı cevap kutusuna cevabınıza göre 1 ile 5 arasında X iřareti koyarak belirtiniz..

1. Çok nadiren uygularız 2. Nadiren uygularız 3. Kararsızım 4. Uygularız 5.Çok sık uygularız

1	Örgütsel yapı (organizasyonla) ilgili inovasyon	1	2	3	4	5
2	Pazarlama ile ilgili inovasyon	1	2	3	4	5
3	Yönetimle ilgili inovasyon	1	2	3	4	5
4	İş yapma süreçleriyle ilgili inovasyon	1	2	3	4	5
5	Ürün ya da hizmetlerle ilgili inovasyon	1	2	3	4	5

6. Sizce otelinize gelen misafirler uygulanan inovasyon (yenilik) faaliyetleri için daha yüksek ödeme yapar mı? Diğer bir deyişle bu inovasyonları takdir edip daha yüksek bir ücret öder mi?

Evet , öder	
Hayır, ödemez	

7. Sizce otelin rekabet etmesi ve müşteri tatminini sağlaması açısından otel faaliyetleri içerisinde inovasyonun önem derecesi nedir ? 1 ile 5 arasında ilgili kutuya X işareti koyunuz..

Hiç önemli değil	1	Kısmen önemli	2	Kararsızım	3	Önemli	4	Çok önemli	5
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8. Aşağıda verilen önermelerle ilgili düşüncelerinize yönelik cevaplarınızı ilgili yerlere (X)işareti koyarak veriniz. Bu önermelerde doğru veya yanlış diye bir cevap yoktur. Sadece (1 ve 6 arasında) Şekildeki gibi alternatif cevaplara X işareti koyarak tercihinizi belirtiniz.

Örnek

Bilmiyorum	1	Hiç önemli değil	2	Kısmen önemli	3	Kararsızım	4	Önemli	5	Çok önemli	6
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1	Otel yönetimi yeni fikirleri genelde destekler.	1	2	3	4	5	6
2	Otelimizin yapılması düşünülen değişiklikleri gösteren bir iş planı vardır.	1	2	3	4	5	6
3	Otelimizde bir işin geliştirilmesinde gelişmiş yöntemler kullanıldığı zaman değişim hızlı bir şekilde olur.	1	2	3	4	5	6
4	Otelimizde yaratıcı fikirleri olan çalışanlar vardır.	1	2	3	4	5	6
5	Otelimizde çalışan personel başarılı olmaları için gereken becerilere sahiptir.	1	2	3	4	5	6
6	Otelimizde çalışan personelin yaratıcılığı işletmenin verimliliğini değiştirecek düzeydedir.	1	2	3	4	5	6
7	Otelimizde çalışan personelin inisiyatif almalarını destekleyici yaratıcı bir örgüt kültürü vardır.	1	2	3	4	5	6
8	Otelimizde çalışan personelin işin yapılmasında yeni yol ya da yöntem bulmalarını sağlayacak bir hedefi/amacı her zaman vardır.	1	2	3	4	5	6
9	Oteldeki tüm yöneticiler yeni fikirleri aktif olarak destekler.	1	2	3	4	5	6

10	Otelimizde yeni fikirlerin kullanımını destekleyecek kaynaklar vardır ve diğer firmalara göre daha iyidir.	1	2	3	4	5	6
11	Otelimizde yeni fikirlerin kullanımına yardımcı olacak deneyimli çalışanlar mevcuttur.	1	2	3	4	5	6
12	Çalışanlar yeni fikirleri öğrenmelerine yardımcı olacak güncel pratik uygulamalarla kendilerini geliştirebilmektedirler.	1	2	3	4	5	6
13	Verimliliği artıracak yan ürünlerin otelde kullanımı teşvik edilir.	1	2	3	4	5	6
14	Otelimizde yeni fikirler her zaman üst yönetim tarafından destek görülür.	1	2	3	4	5	6
15	Otelimizin yönetimi yaratıcılığı destekleyici bir yapıdadır.	1	2	3	4	5	6
16	Fikirlerin gelişiminin teşvik edilmesi için gereken kaynaklar sağlanır.	1	2	3	4	5	6
17	Herhangi bir konuda karar verilmeden önce çalışanlar tarafından ortaya konulan fikirlere gereken önem ve dikkat verilir.	1	2	3	4	5	6
18	Otelimizin bir gelişim planı vardır.	1	2	3	4	5	6

9. Genel olarak ülkemizdeki otelcilik sektörü, bölümünüz ya da otelinizle ilgili inovasyon faaliyetleri hakkındaki düşünceleriniz nelerdir?

.....

.....

.....

.....

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.....

.....

Bölüm II - Uygun olduğunu düşündüğünüz alternatif cevaplara (x) işareti koyunuz

1. Kaç yaşındasınız

18-29 () 30-39 () 40-49 () 50 ve üzeri.... ()

2. Cinsiyetiniz

Erkek..... ()

Kadın..... ()

3. Eğitim Durumunuz

İlkokul..... () orta okul ve lise..... () Meslek Yüksek Okulu (iki yıllık bir program)..... () Üniversite () Yüksek Lisans/Doktora..... ()

4. Kaç yıldır bu otelde çalışıyorsunuz?

1 yıldan az..... () 1-5 yıl..... () 6-10 yıl () 11-15 yıl..... ()

16-20 yıl..... () 20 yıldan fazla.....()

5.Medeni durumunuz nedir?

Bekar()

Evli..... ()

6.Otelinizin Faaliyet Alanı

Tatil/Eğlence Oteli ☐ Şehir / İş Oteli – ☐

Diğer (Lütfen Belirtiniz)..... ☐

7.Otelinizin Kategorisi

5 Yıldızlı ☐ 4 Yıldızlı ☐ 3 Yıldızlı ☐ Diğer ☐

8. Otelinizin Büyüklüğü (Oda sayısı)

250 den çok ☐ 250-100 ☐ 99 den az ☐

9. Otelinizin Sahibine Göre Kategorisi

Özel ☐ Vakıf ☐ Aile ☐

10.Oteldeki göreviniz

Otelin sahibi ☐

Genel Müdür ☐

Genel Müdür Yardımcısı ☐

Bölüm Müdürü ☐

Kısım Şefi ☐

Diğer..... ☐

11.Çalıştığınız Bölüm

Kat Hizmetleri ☐

Yiyecek ve İçecek ☐

İnsan Kaynakları ☐

Satış –Pazarlama ☐

İdari Bölüm ☐

Teknik ☐

☐ 80

Güvenlik

Ön Büro

