

Exploring Innovation Activities in Hospitality Industry in Northern Cyprus

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ABSTRACT

The aim of this study is to find the nature of service innovation and its effect on customers' choice within the hotel industry in North Cyprus. The present study is formulated on the base of previous studies on innovation, the relationship between the innovation and tourism industry, how important it is, and the main characteristic of innovation. The study also draws attention to the different resources of innovation.

Also, a sample of three-, four- and five-star hotels in North Cyprus were chosen. Then, data was gathered from 78 general managers and department managers overseeing innovation; process and outcomes. A self-administered questionnaire was used as tool for conducting quantitative research. Next, the SPSS program was utilized to measure and analyse the data.

The results showed the importance of innovation which can be considered for strategic development in hotel. Though hoteliers consider innovation as an effective approach for improvement, nevertheless, they find innovations in some sectors more effective, than in some other sectors. Also the significance of innovation varies based on the three-, four- and five- star hotels.

Keywords: Innovation, service innovation, customers' choices, hotel industry, North Cyprus.

ÖZ

Çalışmanın amacı hizmet yeniliği doğasının ve bunun müşterilerin seçimi üzerindeki etkisini Kuzey Kıbrıs'taki otel endüstrisi içinde incelemektir. Çalışma; yenilik, turizm endüstrisi ve yenilik arasındaki ilişki, bu ilişkinin önemi ve yeniliğin niteliği üzerine yapılmış önceki araştırmalar temel alınarak yapılmıştır. Çalışma ayrıca yeniliğin farklı kaynaklarına da dikkat çekmektedir.

Kuzey Kıbrıs'taki; üç, dört, ve beş yıldızlı oteller çalışma için seçilmiştir. Daha sonra yenilik sürecini ve sonuçlarını gözlemleyen 78 genel müdür ve bölüm amirinden veriler toplanmıştır. Niceliksel araştırma için katılımcıların kendi kendine doldurduğu bir anket kullanılmıştır. Bunu ardından veri analizi için veriler SPSS'te değerlendirilmiştir.

Sonuçlar; yeniliğin önemini ve otellerde stratejik bir gelişim olarak görülebileceğini göstermiştir. Otelciler yeniliği etkili bir görüş olarak algılasa da sektörden sektöre yeniliğin etkisinin değişebildiği fikrine sahiptir. Ayrıca yeniliğin anlamlı farkı üç, dört, ve beş yıldızlı oteller arasında da görülebilmektedir.

Anahtar kelimeler: Yenilik, hizmet yeniliği, müşteri tercihi, otel endüstrisi, Kuzey Kıbrıs

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Chapter 1

INTRODUCTION

1.1 Background

Customers, in a number of industries, are constantly bombarded with run-of-the-mill product and service offerings. As the result, customers both desire and more often demand innovative alternatives. In response, many services-oriented firms are striving to integrate novel features into their product-service offerings.

The advantage of service innovation is obvious. The ambiguity here, is that how should the management decide on the type of innovation to be carried out. Though in certain cases, innovation is carried out just to keep the company from not running out of its market share. This idea demonstrates “that some kind of innovations may increase the cost of business and at the same time they may don’t bring any important economic profit. In other word, they just maintain the existing business with no competitive point”. (Reid & Sandler, 1992, p.18) On the other hand, some other kinds of innovations may increase service differentiation and bring financial benefits. Therefore it is necessary for managers to carry out innovation which can please the customers and at the same time be profitable for the company (Reid & Sandler, 1992).

The hotel industry is an example of hospitality firms that can benefit from the innovation outcome. Firstly, from customer’s view, the hospitality market is full of

substitutable service offerings. So this can cause some problems for managers to differentiate a hotel from its other competitors (Reid & Sandler, 1992). Therefore, management has to make new offerings to customers by innovation. Second, the hospitality industry is quickly changing according to the speeding up in information technology (Oslen & Connolly, 2000). Managers should do some practical modifications oriented on customer satisfaction, quality and technological boundaries in order to have competitive advantages in a self-motivated environment (Karmakar, 2004).

Finally, nowadays travellers do not just visit hotels as they did in past decades. Recently, most of the travellers prefer hotels that offer the best services for customer satisfaction (Oslen & Connolly, 2000). If managers want to create value in order to achieve guest satisfaction, they should face the challenges of specifying which services are preferred by hotel customers (Oslen & Connolly, 2000). However, in case managers notice the customer's preferences, the challenge therefore, would be to prioritize those preferences that would add value to the hotel's current service offerings.

1.2 Statement of Problem

This research will examine the addition of innovation to the hotel service concept which is considered as an excellent tool for managers deciding on which innovations to implement. Moreover such type of research has not been done yet in North Cyprus Hotel industry. It will be the first study aim to fill the gap in this area. The understanding of customer's choice will allow managers to better design their service offerings and formulate corresponding operational strategies around customer needs.

1.3 Aim and Objectives

The overall aim of this study is to explore customer preferences for service innovation. The paper will examine the addition of innovative offerings and its relation to the hotel's core service concept. The service concept encompasses both the "how", in other words, the operations content, and the "what", the marketing content, of service design as well as the integration of the two (Goldstein et al.,2002).

This work will provide an insight into service innovation by exploring the hotel preferences of both business and leisure travellers. Specifically aimed at:

- Understanding the trade-offs made for business and leisure travelers when choosing a hotel, in terms of innovative hotel market drivers or attributers.
- Explore the influence the addition of innovative services has on the design of the core service concept.
- Examine the impact of innovative service preferences on operational strategy formulation.

1.4 Background

The service concept: The wide array of research related to service innovation has primarily focused on the definition of the "service concept" (Goldstein et al., 2002). (Edvardsson & Olsson 1996, p.149) defined the service concept as a "prototype for service, covering the needs of the customer and the design of the service".

Innovative value strategy: Managers when re-examining their existing service offering also need to decide which innovations will create value. For example, managers must ask themselves, which innovations not only deliver additional value to their customers but also are economically viable to the firm. Customer value can

be defined as, “the customer’s perception of what they want to have happen in a specific-use situation, with the help of a product and service offering in order to accomplish a desired purpose or goal” (Stahl et al., 1999, p.53).

1.5 Methodology and Analysis

The data in this study is gathered from the fast developing tourism sectors including three, four and five star hotels located in the TRNC. Convenience sampling was used in determining the number of respondents. In a more focused sense, convenience samplings are non-probabilistic sampling and quite often convenience sampling is not sampling at all in a sense that those selected are chosen on the basis of some distribution of multiple characteristic; rather the samples are chosen because they share certain very clearly defined core characteristics (Veal, 1997). This study has been planned to include of the managers of the aforementioned sub-sector of the tourism industry. The target figure is two hundred.

The questionnaire will be a self-Administered questionnaire which will address to managers of the targeted companies. It will be prepared in order to get their views about the innovations behavior.

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 will be collected via face to face interview and structured questionnaires. During the distribution of the questionnaires, the aim will be explained to them.

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 numbers of point's people have given to a certain statement out of a five point Likert scale. For better measurement a validity and reliability test will also be used.

Chapter 2

LITERATURE REVIEW

It is believed by all academic researchers that facing a sustainable and managed project in hospitality, needs diversification; so innovation is a unique approach to get to success point (Orfila & Mattsson, 2009).

Information about the basic concepts is fundamental of all research, so this chapter provides the necessary information which is needed for entrance to the research. Firstly the innovation in tourism industry is explained and then innovation and different type of it is discussed. The ensuing information explores the importance of innovation in the literature review and from a tourism perspective. This chapter also provides a comprehensive view about the innovation process and how it can be related to marketing.

2.1 Innovation Background

Innovation in tourism depends on features which are common or different from those of innovations in other service industries (Tajeddini, 2010). Also, tourism activities are totally sourced spatially, the stage which is set by adjoining heritage, attractions and lodging facilities. Consumption has a chronological dimension that has influence on the quality of the tourist's total experience (Nelson & Winter, 1982). . The industry of tourism is consists of activities that attribute to leisure industries like sports and recreation (Pikkemaat & Peters, 2005; Pikkemaat, 2008).

Because both of them relate with industrialization advancements, the growth of short-term practices, the impact of innovations in urban tourism on the giving of leisure activities, such as casinos, museums and special events (Hjalager, 2002; Hollanders & Cruysen, 2008).

An innovation is the accomplishment of new or highly developed products (goods and services), a new method for marketing, or even an organized method for business activities, workplace organization or external relations (Weiermair et al., 2007).

The first requirement for an innovation is that products (goods and services), stage (phase), a new method for marketing, and organized method for business activities must be new (or highly developed-improved) to the firm (Miles, 2005).

Innovation activities: As a simple definition refers to all activities such as: financial, commercial, technological, scientific and organizational activities which try to implement innovations. So innovative firm refers to a company which implements and uses innovation during a specific time (Tajeddini & Trueman, 2012).

2.2 Importance of Innovation

Innovation is defined as a procedure that social and economic value is generated from knowledge or science during the years, so the importance of innovation should be considered as well (Camisón, 1999; Monfort, 2000). Innovation can adopt lots of definitions, but apart from all of these definitions, it is clear that innovation is a significant key to be successful and achieving competitive advantage for the companies (Drejer, 2004; Tether, 2004). Many researchers have supported this idea that the firms, who are innovative, have higher level of success rather than other companies. Although there are lots of obstacles and barriers for achieving innovative

ideas, but those who got this privilege are often being rewarded and encouraged for their efforts (Arundel et al., 2007).

Innovation is playing an important role in business as is it sustaining the business competitiveness and it also can develop and promote the productivity (Coombs & Miles, 2000). Innovation is like the core of any kind of business and it is one of the most considerable factors for improving the economic performance especially in hotel industry (Hall, 2009a). Here some reasons can be mentioned which underline the impact of innovation such as: better quality, generating new markets, improving the process of production and so on. Most of companies are getting involved in innovative process to do some activities such as: 1) offering new products 2) enhancing the market share 3) satisfying buyers' needs and promoting productivity and also decreasing production costs. The existence of innovation is vital in business as it permits the industries to have the ability of adaption to any change (Daghfous & Barkhi, 2009).

Here we focus on two features of the procedure of innovation that recommend options for market disappointment. The main is that innovative knowledge (awareness) which is generated through the innovation procedure is what economists' word community good and these goods have a tendency to be underprovided via the isolated marketplace (Bell, 2006). The subsequent is that innovation can generate constructive peripherals in the arrangement of full of advantages to consumers and other organizations and these cannot be seizure as income by innovating organizations, again leading to lower than establishment of innovation (Angrist & Deegan, 2006).

Innovation is significantly vital for growth in today's economic marketplace (Arundel, 2007). Innovation is a multifaceted and extensive procedure that includes inventiveness, obligations and lots of tough efforts (Hall, 2009a).

Innovation is necessary to test business effectiveness and for developing efficiency. It is the establishment of our commercial development. There are several features required for innovation. Conferring to the Canadian Innovation centre these features entails external and internal drivers (Agriculture & Agri-Food Canada, 2006).

Table 2.1: External and Internal Drivers which are required for Innovation

External drivers	Internal drivers
Competition	Improving the profitability
Low costs	Developing the cash flow
New entries	Improvement of quality

Source: Agriculture & Agri-Food Canada, 2006).

Innovation is regarded as salient aspect in enhancing effectiveness in organizations. Nevertheless, innovation is inflated and dangerous and hence involves a situation of association among industries, the monetary public, exploration organizations, and administration (Weiermair et al., 2007).

Developed value, construction of innovative marketplaces, and developed merchandise methods are just few of the several causes for innovating. These are selected large motivations (Hjalager, 2002).

Innovation is significant since it permits industries and productions as a complete to familiarize to transformation. Among marketplace situations, industrial

developments, and universal financial prudence, the trade scenery is constantly developing (Salzburger, 2007).

2.3 Types of Innovation

Innovation is can bring different perceptions for some beholders , for instance it can be something new or radical for one person and for other person it can have some old image.in spite of having a subjective nature and the classification of innovation , it will be useful to concentrate on different innovation procedures. For illustrating the classification of innovation, it is good to focus on 4Ps model created by John Bessant and Joe Tidd. This model is very strong to be analysed as it is based on this fact that good innovation is about good changes. This classification has got four broad categories such as: 1) product innovation 2) process innovation 3) marketing innovation 4) organizational innovation.

Product Innovation Product innovation is the preface of goods or service that is new or highly developed plus the honour to its specifications or intended uses this includes development in technical characteristics, ingredients and material user friendliness or other functional characteristics. Product innovation can use new knowledge, science or technologies or it can base on new mixture of existing science, knowledge or technologies.

Process Innovation Process innovation is the employing of new or highly developed products or method. In this innovation there is a huge change in techniques and equipment. Process innovation can reduce the costs (prices) of production, to enhance quality or to produce a high developed product.

Marketing Innovation Marketing innovation is the employing of new method which includes huge changes in a design or packaging the product, product position, product improvement or pricing. Marketing innovations are trying to satisfy customers' needs, releasing new markets, or location of a firm's manufactures, with the intention of raising the firm's transactions.

Organizational Innovation Organizational innovation is employing of a new technique for the firm's business performances, headquarters organization or exterior relatives. Business innovations try to enhance a firm's presentations by decreasing performance costs or management costs, developing headquarters satisfaction, achieving positive features which are non-deal or decreasing the prices of contributor.

Service Innovation Empirically, there are myriads of definitions for services. Some definitions show service as activity or implication for resolving particular problems of customers (Gronroos, 1990; Kotler, 1994). Other explains service as a bunch of suit abilities that tries to reach customer willingness (Gadrey et al., 1995; DISR, 1999).

According to the definitions of service, there are some particular characteristics that separate them from the concept of "product". These characteristics can generate specific obstacles in developing oblations (Dolfsma, 2004) for instance, expansion of service product, is totally different from the expansion of perceptible, such as manufactured product (Johne & Storey, 1998; de Jong & Vermeulen, 2003; Dolfsma, 2004). So it's helpful to know the characteristics of services. Most of services characteristics which are beyond literature are: intangibility; heterogeneity;

inseparability and perishability (Jong et al., 2003; Akmavi, 2005). The meaning of innovation in organizations base on services is more difficult than physical consequences (Berry et al., 2006). The plurality of meanings differentiates between “product” and “process” for both service and manufacturing industries (Tether et al., 2005).

Nevertheless, the difference between “product” and “process” is enough for production; it is less useful for services. This is because of the difference of innovation in services is more difficult than an understandable division into “product” and “process” innovation (Camacho Rodriguez, 2008). This is according to synchronous production of services, although the product is normally equal to the “process” (Tether, 2005).

2.4 Characteristics of Innovations

To make a company being innovative, having the word innovation for the firm as slogan is not enough. Innovation is defined as an instrument which enables companies to gain some special and strategic goals (Bouquet et al., 2009). Therefore to understand the importance of innovation it is necessary to consider some essential characteristics of innovations which can be mentioned as: timing, radicalness and speed (Ambos & Mahnke, 2010).

Timing can influence both the involvement and the importance of an innovation. For example, Galileo was compulsory to pull out his faith that the world progressed round the sun, which was established on watchful opinion of resorts and universal circles, because he had the knowledge quickly.

All businesses have a graveyard occupied of worthy goods with underprivileged timing. This may be the outcome of the expansion procedure being complex. It may be an invention “ahead of its time”. From time to time blessing shows a large fragment in innovation (Ambos & Mahnke, 2010). The message is a typical sample of an invention which “took off” owed to the UK's mail raid it required figure acceptance to be valuable and had the PC and the Internet been accessible prior, it may fine on no occasion have been a profitable achievement. A total variety of aspects lead to the catastrophe of various virtuous notions as of the influence of those features on “time to market” (Ambos & Mahnke, 2010).

Radicalness Innovations can be categorized as fundamental or additional. Fundamental innovations have a tendency to derive about from side to side a rationalist method and purpose to generate great measure modification (Ambos & Mahnke, 2010). Additional innovations appear in a further biological method and generate regular, step by step modification

Anticipation enterprises in many nations are trying to forecast equipment progress, therefore as to support firms to add original occasions (for instance the UK's Department of occupation and Industry's Invention Unit).

Speed of innovation Quickness of innovation can be life-threatening. Quickness touches the price, superiority and scheduling of the innovation and eventually its “affordability” and its achievement. Several administrations are not rapid modernizers, and those that have recognized innovation quickness as a competitive advantage have to overwhelmed timewasting guidelines and performs (Prahalad & Hamel, 1990). Nevertheless, moving up innovation is a difficult method. Kessler and

Chakrabarti (1996) have advanced an ideal of innovation quickness that highpoints the necessity to study the subsequent demands in combination with one alternative “When must we accelerate innovation?”, “In what way can we accelerate innovation?” and “What come about when we accelerate innovation? (Kessler & Chakrabarti, 1996).

2.5 Source of Innovation

It has lengthly been anticipated that merchandise innovations are naturally advanced by manufactured goods (Khanna & Tice, 2001). Since this idea contracts with the rudimentary matter of who the innovator is, it has unavoidably had a main influence on innovation associated study, on companies' organization of study and progress, and on administration innovation rule (Foss, 2007).

According to Peter Drucker (1986), one of the supreme organization theorists from the last period, described in his volume “Innovation and Entrepreneurship” with 7 classes of “OPPORTUNITIES” (Drucker, 1986). He called these the "SOURCES OF INNOVATION", namely:

1. **The Unanticipated** A sample of the unanticipated is the expansion of NutraSweet. A chemist established a new organic. Unintentionally he got some of it in his mouth. To his discovery, it tasted very sugary. This was the jump of an expansion path that took several years before NutraSweet was announced by Searle into the marketplace
2. **Incompatibilities** this factor which can also be called: battles among opposite purposes, necessities or principles, may be the jump of an innovation. This still was explained in an innovative plan as the Smart.

3. **Procedure Requirements** A long-standing proverb utters that “necessity is the mother of invention”. In the long-standing times of the US numerous amateurish migrants from Europe reached. By creating machineries more accurate and presenting regulation of the artifacts one could create thousands of mechanisms independently. The mechanism or weapon could be accumulated using randomly with ever constituent from the supplies.

4. **Business And Marketplace Construction** Business marketplaces and marketplace construction may suggest chances for innovative sorts of facilities. Subcontracting of actions such as conservation of the IT organization is a case. Further cases are the integration of manufacturing’s for instance the amalgamation of the computer business with customer microchip technology or IT with occupational checking services. The X box of Microsoft is just one case from several.

5. **Demographic** it is the main foundation of innovation generating chances for innovative kinds of goods and facilities. Life style medicines such as Viagra are just examples where the rising collection of old people who feel themselves still same strong and who would like to appreciate life at length can overcome the special effects of organic again.

6. **Deviations In Opinion** A sample of deviation in opinion as foundation of innovation is the succeeding.

7. **Innovative Information** Previous but not smallest innovative information has shaped numerous occasions for innovative goods. The appearance of

micro-electronics and innovative software design means and implements, biotechnology, Nano-technology, and more, have been the chief motors of invention and development over the last periods.

2.6 Innovation Process

Innovation process means the execution of an innovative or meaningfully enhanced invention or distribution system (Hjalager, 2010). Innovation is an essential part of our administrations' policy, so the innovation method should be started with tactical thoughtful to declare that the yields of innovation are wholly ranged with our tactical resolved (Bernasco et al., 1999).

According to (Hall & Williams, 2008) a successful innovation procedure may have some or all of the factors which are mentioned as: 1) recognition 2) invention 3) development 4) implementation 5) diffusion

Recognition should be of a definite problem, confront or a prospect which should be fitted to the needs of human.

Invention refers to an innovative opinion or new idea, which help to solve a problem or grab an opportunity

Development of the innovation through the creation of practical arrangements and instructions

Implementation of innovation to create some true examples of modified practice, and examining the innovation to figure out if it works in a proper way compared to recent solutions.

Diffusion of good innovations which brought success to the firms and allowing them to be adopted in a wider range

It should be mentioned that this five stage process of innovation is a useful tool for following the progress and performance of innovations, but it is considerable to know that all innovations don't have the linear process format (Hall & Williams, 2008).

Strategic thoughtful has explained for us that how the universe is shifting and what our consumers may worth, and this arouses innovative demands that our study has replied. Research discoveries initiate a wide sort of innovative concepts beyond an extensive sort of internal and external issues (González & León, 2001). This is the copious rare material, and it is already and repeatedly associated with our strategic concentrating as it derived about as a consequence of a straight joining among policy, collection strategy, and study (Ambos & Mahnke, 2010).

2.7 Innovation Culture

For an organization to be unique, it is necessary to begin with the proper approach. In this approach the unexpected issues should be considered as expected (Porter & Kramer, 2011). This approach should be started at the highest point of the organization and also it consists of: beliefs, some expectation and the logic of them within the organization (Mensah, 2006). Encouraging and rewarding the innovative thinking and contribution can be one of the most important ways to create culture of innovation in the firm (Smolyayinova, 2007).

Culture is not a matter which should be taken for granted as it is a complementary element of all organizations (Porter & Kramer, 2011). Culture of company can be

defined as formal and established framework of business (Aragón-Correa et al., 2008). A good understanding of the organization rules and also having the responsibility to company's mission will make the employees able to face by unexpected problems (Lee et al., 2010).

An innovation culture needs developments in procedures for finding, research, and increasing collections of choices (Chan, 2008). Companies must generate methods to identify innovative, developing arrangements in vital ranges and advance innovative trade ideas to encounter these innovative certainties (Walker et al., 2011).

2.7.1 Impact of Organizational Culture on Innovation

Organizational culture is a significant concept that touches both discrete and organizational related procedure and results (Lee et al., 2010). There looks to be no arranged upon explanation of culture in the texts. Organizational culture is well-defined as “the public, elementary expectations that an organization studies while handling with the atmosphere and resolving difficulties of exterior alteration and interior combination that are trained to innovative memberships as the accurate method to explain those difficulties (Hjalager, 2010).

Organizational culture touches numerous consequences refer to the staffs and organizations. Organizational culture touches operative performance, knowledge and expansion (Gunday et al., 2011).

2.7.2 Impact of Organizational Communication on Innovation

In what way one describes organizational communication rest on one's vision of the connection among interactive and organizing (Álvarez & Céspedes, 2008). According to the container method, organizational communication can be well-defined as the conduction of a note over a station to a receiver (Lenfle & Midler,

2009). In the public constructionist method, organizational communication can be well-defined as the method language is used to generate diverse types of public arrangements, for example associations, groups, and nets (Tari et al., 2010).

The previous classification underscores the restrictions that are located on communication specified pre-existing organizational arrangements and the final definition highpoints the inventive possible of communication to build innovative opportunities for establishing (Smolyayinova, 2007). Nevertheless, organizational communication may be observed more beneficially as harmonizing inventiveness and limitation, as it is certainly not completely either forced or imaginative (Pizam, 2009).

The explanation of organizational communication as harmonizing inventiveness and limitation emphasizes on how personalities practice communication to exercises the pressure among working inside the restrictions of pre-existing organizational constructions and promoting modification and inventiveness (Bate & Robert, 2006). For instance, imagine that an organization was undertaking main modification creativity (Chan, 2008). An info transmission method to organizational communication would involve variation mails to be directed obviously to all associates in the organization (Victorino et al., 2005). A common constructionist method would focus on generating forms of language practice that would create the anticipated variation.

2.8 Tourism and Innovation

Tourism is defined as a kind of industry which has a high development speed and often it confront with various radical changes in the way that is produced and

consumed (Vargo & Lusch, 2004). Despite this fact, there is still lack of understanding of how these kinds of changes are being done through innovation (Hosman, 2009).

The long term success and also the sustainability of tourism industry highly depend on the capability of the management team and stakeholders to apply innovative tools in their path to reach competitive advantage (Orfila & Mattsson, 2009).

Innovation in tourism industry can have different categories such as: Entrepreneurship and innovation, technology innovation, innovation systems (Tajeddini, 2010).

Entrepreneurship and innovation Entrepreneurs can be defined as the people who are called creative destructors, who have the ability to modify the taste and preferences of their customers by making new norms and standards thorough innovative implements (Tajeddini, 2010).

Technology innovation science and technology are the main elements which are also defined as driving factors for innovation. Beside all these facts, also some environmental features such as market changes and political concerns play important role in this arena (Tajeddini, 2010).

Innovation systems during the past years, tourism study had been moved through gaining some achievements of industrial concept. Competence and skills are the main elements of industrial area. Industries features are exist in certain localities which these localities are necessary for the development on companies. The reasons

which refer to the restricted inclination to innovative activities in many tourism companies are only insignificantly and indirectly addressed in tourism studies (Tajeddini, 2010).

According to previous studies, the lack of innovation in tourism industry can be the result of high costs for these activities (Rauch et al., 2009). Beside, many service providers have this idea that customers are not willing to pay higher amount of money for improvement (Rutherford & Holt, 2007).

2.8.1 Importance of Innovation in Tourism

The importance of innovation in all industries is in a way that most of them entrepreneurs can use innovation as a tool to differentiate a product or service to face the customers' preferences and satisfy their needs (Salzburger, 2007). Nowadays globalization and also the development of technology made the customers to adapt most of the changes and getting up to dated (Sundbo, 2007).

Globalisation is a factor which remains competitive and if tourism sectors are willing to stay in higher levels of competitive advantages, they should be aware of developing new products, services and also ideas in the area of tourism (Anonymous, 2006).

According to many studies, innovation was studied as an important element of tourism economics (Dobo'n & Soriano, 2008). Innovation in tourism will show lots of dynamics factor which is behind this industry, for instance one of them is the way that innovation can transform the level of economy in tourism (Cadwallader et al., 2010). Innovation is a significant factor which enhances the profitability,

productivity and quality of the products which let to promote the competitive level of tourism economy (Monsen & Boss, 2009).

Innovation is significant because it is one of the main methods to distinguish the creation from the rivalry (Achilladelis & Antonakis, 2001). If some firms are not able to participate on fee, they'll want innovative goods and concepts to make their commerce be obvious to the masses (Chan 2011).

Innovation in corporation can similarly be driven by the quantity of innovation that rivals are doing (Monsen & Boss, 2009). Being first to marketplace with an innovative creation can offer you with an important benefit in terms of constructing a consumer base (Chan 2011).

Innovations in medication and machinery have meaningfully enhanced living ideals around the world (Cadwallader et al., 2010). Innovation has also lead to noteworthy developments in the approach industries operate and has locked the breaks among altered marketplaces (Oslo, 2005).

Generally it is noticeable that innovation is considered to be a factor which leads the forces for some basic changes in the tourism industry (Chan 2011).

2.8.2 Features of Innovation

Innovation creativity is not sufficient (Pellissier, 2011). Having the term "innovation" in your firm refrain or entirely your web site is not sufficient (Pellissier, 2011). Indeed, it should be claimed that any sort of emphasis on innovation as an end, can be harmful. Innovation is nothing more than a device that allows businesses

to attain distinctive, tactical objectives (Salzburger, 2007). There are seven important features of innovative firms (Kraus, 2009) which can be mentioned as follow:

Table 2.2: features of innovative firms

Distinctive and Appropriate Strategy	The most crucial representative of a correctly innovative corporation
Innovation is a tool to Attain Strategic aims	Innovation is a vital instrument for idealistic corporations' determined on attaining their strategic aims
Reformers are the bests	Reformers are the bests, but not continuously cost-effective bests!
Modernizers Implement	A number of those concepts are even appropriate to corporations' requirements
Self-sufficiency	Along with trust, individual and group self-sufficiency is a vital element of innovation.
Catastrophe Is a Choice	If staffs recognize that they can catastrophe without threatening their jobs, they are more prepared to proceeds on hazardous, advanced developments that deal massive possible prizes to their corporations.
Environment of Trust	The Innovative Company provides its employees with an environment of trust

Source: (Kraus, 2009)

Distinctive and Appropriate Strategy The most crucial representative of a correctly innovative corporation is having a distinctive and appropriate strategy (Kraus, 2009). It is totally distinguished that what some firms like Apple, Facebook and Google perform. That's for they create their policies perfect and persistent ensuing them. If a corporate does not have definable, distinctive strategy, it will not be inventive (Kraus, 2009). Tasteless strategies, such as "to be the greatest", do not offer a track to innovation (Kraus, 2009). If your tactic is unclear or nosedives to distinguish your corporation from the rivalry, you should modify this condition as fast as possible (Drejer, 2004).

Innovation is a tool to Attain Strategic aims exceedingly innovative corporations does not comprehend innovation as a conclusion; however as tools to attaining strategic aims (Kraus, 2009). Innovation is a vital instrument for idealistic corporations' determined on attaining their strategic aims (González & León, 2001).

Reformers are the bests, when businesses practice innovation to attain strategic aims; they unescapably take the clue in their marketplaces (Kraus, 2009). Unluckily, this does not continuously convert to presence the greatest effective or gainful their modernization (Rutherford & Holt, 2007). Totally, reformers are the bests, but not continuously cost-effective bests!

Modernizers Implement Several companies have a lot of innovative staffs with shares of concepts (Kraus, 2009). A number of those concepts are even appropriate to corporations' requirements (Monsen & Boss, 2009). But, one item that distinguishes modernizers from potential modernizers is modernizer's contrivance concepts (Bhuiyan et al., 2005). Less inventive corporations exchange more about concepts than executing them!

Catastrophe Is a Choice this would be claimed the greatest serious division of commerce nation, for an advanced business, is letting staffs free and praise to Catastrophe (Monsen & Boss, 2009). If staffs recognize that they can catastrophe without threatening their jobs, they are more prepared to proceeds on hazardous, advanced developments that deal massive possible prizes to their corporations. Instead, if staffs have faith in that being portion of an unsuccessful mission will have practiced magnitudes, they will escape hazard and later innovation similar to plague (Hjalager, 2010).

Environment of Trust The Innovative Company provides its employees with an environment of trust. There is a lot of risk involved in innovation (Hjalager, 2010). Extremely imaginative thoughts frequently originally sound senseless. If staffs distress mimicry for sharing offensive thoughts, they will not cut such ideas (Bateson, 1992), If staffs do not trust each other, they will be observing their backs all the time (Monsen & Boss, 2009). In short, inventiveness and modernization succeed when people in an institute trust each other and their business (Hjalager, 2010).

Self-sufficiency Along with trust, individual and group self-sufficiency is a vital element of innovation (Rutherford & Holt, 2007). If you give personalities and groups strong objectives together with the liberty to catch their own routes for attaining those objectives, you produce productive ground for innovation (Monsen & Boss, 2009). Of course giving staffs self-sufficiency means they may do errors. They may select incompetent ways to attaining aims (García & Armas, 2007). However at worst, they will hear from their errors and inadequacies (Rauch et al., 2009). At best, they will learn innovative and improved methods of achieving goals (Hjalager, 2010). Most significantly, if you letting intellectual, skilled, inventive people and let them be free to solve difficulties, they will do so (Bhuyan et al., 2005). And, in so doing, they will support innovation to flourish through the business.

2.8.3 Analysing Innovation in Tourism from Different Perspectives

The significance of innovation has been underestimated in service activities for a long time. Innovation in tourism and generally in the area of services was always secondary (Cadwallader et al., 2010). By considering tourism firms as some clusters, it is obvious that these companies and other components can be helpful to make a

region competitive in the field of education, training facilities and also infrastructures. In the case of tourism industry, a division can be made among geographical clusters and for example activity clusters (Chang, 2011).

The greatest public and clear consequence of innovation in the tourism productiveness is in the zone of merchandise expansion (Chang, 2011). The appearance of innovative marketplaces, destruction of greater marketplaces into sub marketplaces, improved demographic and psychographic study and growing feasibility of particular position marketplaces can swift workers to observe and improve innovative merchandise donations or variations, as well as route allowances (Fortuny et al, 2008).

2.8.3.1 Service-Product Innovation in Tourism

Every business, in each business, desires an innovation strategy whether it is advanced product innovation, wrapping innovation in customer possessions, or procedure innovation at commercial facilities corporations (Fortuny et al., 2008). Currently mainly, innovation is vital to evolution, to obtaining and satisfying competitive advantage, and to constructing stockholder worth for the extended period. Simultaneously, the innovation procedure is rapidly becoming supplementary exposed and supplementary worldwide (Garrett, 2005).

Service-product innovation is an extensive word that has to do with producing variations in the way, association and even the creation line of an industry so that expect demand and save the corporation in the front position of a business (Preissl, 2000). Occasionally mentioned to as defensive rational or defensive innovation, the knowledge is to correctly mission forthcoming developments within the market and

create variations in the approach the firm does business acceptable to ride the wave of those movements to better monetary prizes (Cañón & Garcés, 2006).

2.8.3.2 Process Innovation in Tourism

Process innovation means the execution of an innovative or meaningfully developed manufacture or distribution technique (Cañón & Garcés, 2006). Insignificant variations or developments, a growth in manufacture or service abilities via the addition of industrial or logistical structures which are identical alike to those by now in usage, terminating to practice a procedure, unpretentious capital auxiliary or allowance, variations ensuing only from variations in aspect of values, customisation, steady periodic and further repeated variations, exchange of innovative or meaningfully enhanced goods are not measured innovations (Dipl et al., 2002). Process innovations are distant and extensive, touching all features of financial manufacture and culture (Gunday et al., 2011).

2.8.3.3 Marketing Innovation in Tourism

Effective projects offer goods and service area that earn consumer desires into account at each step of improvement (Soriano, 2008). Via vigorous, practical movements and real-life submissions, you will advance the abilities and awareness to make best use of profitable achievement (Roig, 2010). Practice marketing methods and policy to recognize the consumer's developing requirements and an invention's market prospective so that elevate the distribution of R&D and further assets.

2.8.3.4 Organizational Innovation in Tourism

An organizational innovation is the execution of an innovative organizational technique in the company's commercial performs workstation organization or exterior relationships (Dobo'n & Soriano, 2008).

Organizational innovation mentions to innovative methods work can be structured and skilled surrounded by an organization to inspire and encourage competitive advantage (Hjalager, 2010). It includes how organizations and personalities specially, accomplish work procedures in such ranges as consumer associations, worker act and holding, and information organization (Tajeddini, 2010).

At the core of organizational innovation is the necessity to advance or modify an invention, process or capability. Totally innovation rotates round variation - but not all variation is innovative (Hjalager, 2010). Organizational innovation encourages personalities to think self-sufficiently and productively in applying individual information to administrative trials (Oslo, 2005). Consequently, organizational innovation needs a nation of innovation that supports innovative thoughts, procedures and commonly innovative ways of "doing business" (Monsen, 2005).

2.8.3.5 The Profit of an Innovative Organization

The worth and significance of information and culture surrounded by organizational innovation is vital. If innovation is about modification, innovative thoughts, and watching outside of oneself to comprehend ones situation, then non-stop knowledge is an obligation of organizational innovation achievement (Gunday et al., 2011).

Information should be used for innovative methods of philosophy, and as a moving stone to originality and toward modification and innovation (Audretsch, 2002).

2.8.4 Innovation Models in Tourism

One of the best models used in tourism industry which is created by Jean- Philip Deschamps, can be defined as innovation in the field of governance model. In this kind of model, generally the management team show how they are allocating the duties for innovation within the companies.

The other model which is one of the earliest models and also more common in innovation is called “Linear model” of innovation which suggests that most of technical changes can occur in a linear form from **invention** to **innovation** and at last to **diffusion** (Hosman, 2009).



Figure 2.1: “Linear model” of innovation

Finally it is obvious that an innovation model offers the theoretical context for recognizing and preceding the variation thoughts most likely to produce the worth desired to generate continuous development (Achilladelis & Antonakis, 2001).

2.9 Tourism in TRNC

Cyprus is the third largest island in the Mediterranean, located 40 miles south of Turkey (Dobo´n & Soriano, 2008). Cyprus has a fascinating history and is of enormous strategic importance-marking the meeting point of three continents: Europe, the Middle East and Africa. It has a total area of 1357 square miles roughly the size of Wales (Audretsch, 2002).

The geography of North Cyprus is characterized by a unique blend of beaches, plains and mountains. The long northern coastline is backed by The Beşparmak (Five Finger) mountain range, which provides a stunning backdrop with its wooded slopes and magnificent jagged limestone peaks, the highest of which is Mount Selvili at 3357 ft (Gunday et al., 2011). The lower hills and lowlands are alive with lush greenery, rare species of birds and butterflies, and a natural diversity of flowers

(including native orchids) which are unmatched in the Mediterranean, with an estimated 19 endemic plant species. Sandy beaches and rocky coves await discovery along the shoreline (Cañón & Garcés, 2006). In Northern Cyprus there are 120 accommodations such as hotels, Motels and also some kind of holiday villages (Tourism Planning office, 2002).

Because of its international status and the embargo on its ports, the TRNC is heavily dependent on Turkish military and economic support (Tourani, 2010). All TRNC exports and imports have to take place via Turkey, unless they are produced locally, from materials sourced in the area (or imported via one of the island's recognised ports) when they may be exported via one of the legal ports (Audretsch, 2002).

The continuing Cyprus problem adversely affects the economic development of the TRNC. The Republic of Cyprus, as the internationally recognised authority, has declared airports and ports in the area not under its effective control, closed (Garrett, 2005). All UN and EU member countries respect the closure of those ports and airports according to the declaration of the Republic of Cyprus. The Turkish community argues that the Republic of Cyprus has used its international standing to handicap economic relations between TRNC and the rest of the world (Gunday et al., 2011).

Chapter 3

METHODOLOGY

The growing global development of science has been due to using accurate scientific researches (Nabavi, 1994). Selecting a research method for each study depends on some criteria:

- The nature of the study,
- The purpose of the study,
- Targeted hypothesis in survey,
- And administrative facilities (Tourani, 2010).

The aim of present study was to explore customer trade-offs for service innovation and how it can affect the hotel industry. Detailed examination of hoteliers' viewpoint in relation to innovation, positive and negative point about the topic will be discussed.

In this chapter, information about deductive, quantitative and descriptive study is given. Necessary tools for research are described. Furthermore, this chapter presents information about population and sampling. Finally it concludes with the descriptions of data analysis to be adopted in the following chapter.

3.1 Research Methodology

The nature of present research was applicable, so deductive approach, quantitative method used as the techniques in research process. Besides, this survey was a preliminary investigation.

More detail description of each section is as follows. Chart No. 3-1 shows the process of research methodology of this thesis.

3.1.1 Deductive Approach

Deductive approach was used in this survey and was the opposite point of inductive. Both have some specific characteristic and differences.

Deduction is “the human process of going from one thing to another, i.e., of moving from the known to the unknown” (Spangler, 1986).

Considering the construction of a research, it is important to know if a researcher wants to do it in the start point or in the end point (Altinay & Paraskevas), attention to this important issue will lead the researcher that whether his/her investigation is deductive or inductive.

This kind of research has some advantages, for example, Grazinano and Raulin state “the deduction is empirically tasted through research, and thus support or lack of support for the theory is obtained” (Grazinano & Raulin, 1993) also Altinay and Paraskevas (2008) stated that it can describe and explain the integrations between the variables.

Comparing deduction and induction, is “top-down” approach for first and the reverse for latter one; also deduction is the identification of an unknown particular, while the induction is a formulation derived from examination of a set of particulars (Rothchild, 1994). Moreover, deductive approach tends to test the developed framework, in contradiction; Inductive approach begins with specific and ends into generalisation (Burney, 2008).

3.1.2 Quantitative Research

One of important feature in quantitative research is that one or some variables get in the process of measurement (Muijs, 2010). Altinay and Paraskevas (2008) believe that “the relationship between variables is under discussion, so for quantifying these relationships, statistical methods are used” (Altinay & Paraskevas, 2008).

Quantitative research is under some theories (Pickard, 2013) such as objectivism and didacticism. Furthermore, it has some specific characteristics; is generalizable and works with numbers.

There are different definitions for quantitative research, although all have similar features; an easily understandable definition is “quantitative research is the act of collecting numerical data to explain phenomena and analysing it by mathematical methods (Aliaga & Gunderson, 2000).

3.1.3 Preliminary Study-Descriptive Study

A study can be preliminary or secondary; this thesis was of former nature, which is a research that generating data can be done by asking questions, conducting trials and collating results. This research can take the descriptive or analytical form.

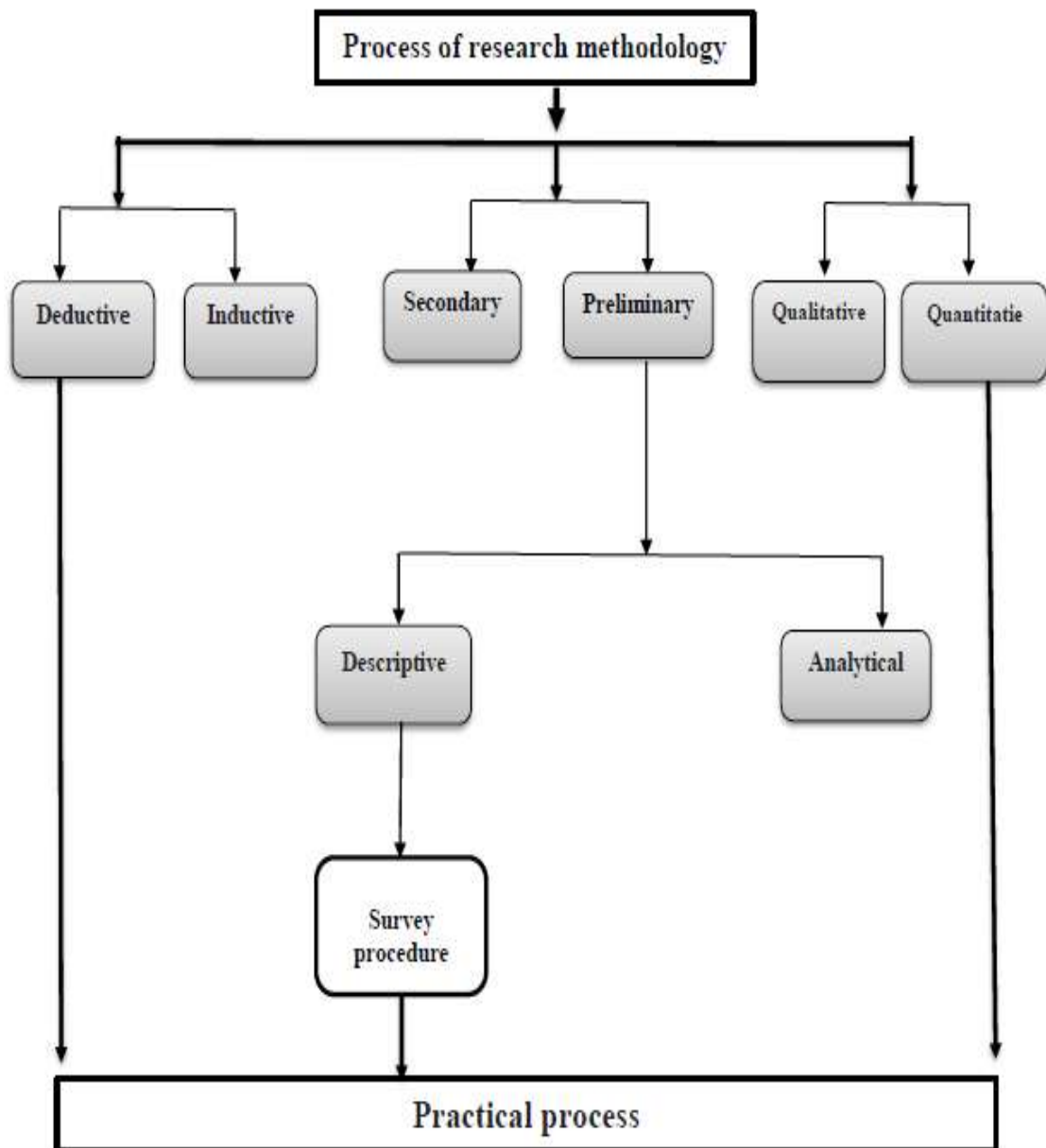


Figure 3.1: The process of research methodology. (Design by author)

As present study was conducted by descriptive approach, it is necessary to know the infrastructure of it. Descriptive study is a kind of studying that researcher examines the status of a variable or variables without considering the status of their relationship.

In descriptive study the primary goal is “to access a sample at one specific point in time without attempting to change its behaviour or the conditions in which it exist” (Altinay & paraskevas, 2008).

3.2 Instrument Development

Instrument is defined as the measurement device used by researchers, which can include questionnaire, and survey (Guba & Lincoln, 1994).

As this survey was a quantitative research, a method should have been selected that led in some data with the possibility of being converted to quantitative data, and then conduction.

Considering the above explanation, structured questionnaire was employed for data gathering in this thesis, extracted from literature. The design of questionnaire was in a way that could lead to reaching the aim of the study. The questionnaire presented in the last part of this thesis, provides deep understanding about the role of innovation in hotel industry.

The type of used questionnaire was a “self- administered questionnaire”, which has some advantage and drawback based on the SAGE encyclopaedia of Social Science Research Methods:

- Advantages: lower cost, easier to implement (Michael, 2004).
- Disadvantages: can be used only when the objective is clear and not complex, researcher has no control on the process (Bourque, 2004).

3.3 Questionnaire Structure

The questionnaire structure was based on Oslen & Connolly (2000) study which obtains managers perceptions about innovation in hotel industry in Northern Cyprus. The advantage of the questionnaire technique is that it allows the information to be collected from large number of managers in different sections of hotels and the findings can be expressed in numerical terms (Karmakar, 2004). Therefore, this research purpose was obtained through the use a set of questionnaires.

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.

It is considerable that the entire items were obtained from the empirical studies in the extant literature. All items in the questionnaire were originally prepared in English and then translated into Turkish using the back translation method (Parameswaran & yapark, 1987).

Regarding the questionnaire in detail, the first part contains 4 questions about the hotels, for instance, category and size. These questions were chosen for linking the answers by the category of hotels.

The second part was specialised as for the innovation and all the questions were based on the literature review. Their expression about the topic was asked and if they considered innovation in their job. Based on the literature, the possibility of having

innovation in hotel was asked in relation to management, product, knowledge or market, process.

Furthermore managers were asked if they measure the effectiveness or profitability of innovation and how they do it; by improvements in service quality, Increase in sales, Increase in GOP, Increase in more customer, and at last it was an open-ended question (Geer, 1988; Turner, 2010); respondents were asked to specify any other types which were not included in questionnaire.

On the other hand, 20 questions were designed in part two, for considering the most implemented innovations carried out in hotels, e.g., Sales channels, Operational process, Management of the operations department, New or improved activities or services, Environmental-impact management etc.

Finally, the third and last part of questionnaire contained the ethnographic data of respondents. The main reason for considering this part was that by having the ethnographic data we could distinguish the answers of different groups, specified by age, gender, level of education, the length of working in hotel and marital statue.

This kind of studying has become commonly used in qualitative and quantitative methodology for collecting data (Aronson, 1992). Besides, it is believed that ethnographic study is by its own qualitative and objective (Zemliansky, 2008). The key features of ethnographic research are as follows:

- I. “A strong emphasis on exploring the nature of a particular social phenomenon, rather than setting out to test hypotheses about it

- II. A tendency to work primarily with “unstructured data”, i.e., data that have not been coded at the point of data collection as a closed set of analytical categories
- III. Investigation of a small number of cases” (Reeves, 2008).

Accordingly, the third part of the questionnaire was designed to monitor the study in deep view, and relating gathered data by the social position of the respondents.

3.4 Population and Sample

Before selecting a sampling model it is necessary to being aware about the philosophy of sampling which contains the meaning, process and advantages.

Sampling based on the Farlex dictionary is “the process of taking a short extract from (a record) and mixing it into a different backing track” (Farlex online dictionary).

Advantages of sampling is the smaller number of elements to be studied and makes the research more manageable, time efficient, less costly, and more accurate (Altinay & Paraskevas, 2008).

As it is mentioned in previous sections the data in this study were gathered from the fast developing tourism sector including three, four and five star hotels located in the TRNC. It is believed that population should be called participants or informed people (Slasali, 2004). The participants in this thesis were the manager of different section in mentioned hotel.

Non-probability sampling technique was used in this survey. It is defined as “sampling where it is not possible to specify the probability that any person or other unit on which the survey is based will be included in the sample” (Smith, 1983).

Under the coverage of non-probability sampling there are five different way of sampling (Bryman, 2012; Ritchie, 2014) ; judgmental sampling technique is one of them also called purposive or expert sampling and Altinay and Paraskevas (2008) defines it as the technique where “participant are handpicked from the accessible population” (Altinay & Paraskevas, 2008).

As a non-probability sampling technique, judgmental sampling was applied in this thesis, and data were obtained from employees of three- four- and five-star hotels in Famaqusta, Lefkosia, Girne. Table 3-1 shows the distribution of hotels studied in this thesis, in 3 different cities of TRNC.

Table 3.1: The number of hotels examined in three cities of North Cyprus

City Stars	Famagusta	Girne (Kyrenia)	Lefkosia (Nicosia)
5	2	3	-
4	2	2	2
3	1	-	-
Total	5	5	2

3.5 Data Collection Procedure

The study was conducted in August 2014, among mentioned hotels in TRNC. The questionnaires were responded by the manager of different parts in hotels, such as: senior manager, chef, and human resource manager.

The total questionnaires distributed and used for analysis were 140 cases. Among them, 95 were retrieved, but there were missing information in some of them. Therefore, the responded 78-response one rate was 55.7 per cent.

During the distribution of the questionnaires, the aim of study was explained to participants, so in some cases researcher had some experience of a short interview about the topic.

Cooperation and guiding was very helpful in some parts of hotels, for example the human resource sections were very keen about the topic.

3.6 Data Analysis

Analysing the collected data, the term of “logic” was being used; which means organizing the way of thinking and then concluding them in that organized route (Salsali, 2004).

The collected data were analysed using statistical package for the social sciences (SPSS) program (Chicago, IL, USA) version 16. All necessary statistical parameters were obtained in this method including means, standard deviations, frequencies, ranges etc.

Frequencies were used to report respondents' profile, such as: age, gender and education.

ANOVA (analysis of the variance) test (Norris, 2012) was implemented to determine the significance of the differences between samples means (Levin & Rubin, 1997). In an arithmetic average valuation unit, the average numbers of point's people was given to a certain statement out of a five point Likert scale (Norman, 2010). To clarify the validity, reliability, positive and negative predictive values, related computing formula were utilized.

3.7 Back translation method

A back-translation method is very literal, almost word-for-word translation back into the original language (Salsali, 2004). A back translation is only one method of checking a translation. It has flaws. For example, if the original translation is very literal, then the back- translation will create the false impression that the translation is very good (Bryman, 2012; Ritchie, 2014).

In this research back-translation method has been conducted. The main questionnaire was in English language which was translated to Turkish language. This back-translation method has been done due to the respondents of these questionnaires were Cypriots and Turkish.

Chapter 4

RESULTS

Previous chapters described the fundamental of innovation in hotel industry and hospitality, also different methods and techniques explained which have been used by study.

This chapter, however, focuses on the results obtained in the process of collecting data. It starts with demographic results about the respondents and targeted hotels. It follows by the descriptive data about the statues of innovation in TRNC hotels. Furthermore, information about the measurement of innovation in targeted hotel is presented. Finally, data provides the frequency of different innovation used in mentioned hotels.

4.1 Demographic Characteristic of Sample

It is common in the statistical literature to use frequencies and per cent to have a descriptive analysis on the respondents' attitudes. So the software of SPSS applied to generate the needed frequencies. Table 1 presents the demographic information in two separate sections.

1-Demographic of respondents

2-Demographic of hotels

Table 4.1: Demographic of samples

<u>Age</u>	<u>Frequency</u>	<u>(%)</u>
18-29	27	35.0
30-39	19	24.0
40-49	22	28.0
5-above	10	13.0
Total	27	100.0
<u>Gender</u>		
Male	60	77.0
Female	18	23.0
Total	78	100.0
<u>Education</u>		
Primary school	2	3.0
High school	27	35.0
Vocational school	18	23.0
University	16	20.0
Master or PHD	15	19.0
Total	78	100.0
<u>Tenure</u>		
Less than 1 year	19	24.0
1-5 years	25	32.0
6-10 years	6	8.0
11-15 years	28	36.0
Total	78	100.0
<u>MS</u>		
Single	39	50.0
Married	39	50.0
Total	78	100.0
<u>Type</u>		
Holliday	10	13.0
Business	38	49.0
Others	30	38.0
Total	78	100.0

<u>Category</u>	<u>Frequency</u>	<u>(%)</u>
5 stars	27	35.0
4 stars	27	35.0
3 stars	23	29.0
Others	1	1.0
Total	78	100.0
<u>Rooms</u>		
More than 250	18	23.0
250-100	45	58.0
Less than 90	15	19.0
Total	78	100.0
<u>Ownership</u>		
Private	45	58.0
State	23	29.0
Family	10	13.0
Total	78	100.0
<u>Status</u>		
General Manager	6	8.0
Assistant general manager	18	23.0
Department manager	27	35.0
Supervisor	17	22.0
Owner	1	1.0
Other	9	11.0
Total	78	100.0
<u>Department</u>		
Housekeeping	6	8.0
F and B	27	35.0
HR	14	18.0
Marketing	16	20.0
Administrative	6	8.0
Technical department	1	1.0
Security	4	5.0
Front office	4	5.0
Total	78	100.0

Table 1 shows that 35% of the respondents are between the ages of 18-29, 28% between the age of 40-49, 24% between the age of 30-39, and the rest were above the age of 50. The table also indicates that the majority of the respondents were male (77%) and the rest were females (23%).

Most of the respondents had high school a education (35%), 23% had vocational school degree, 20% had university degree, 19 percent were in the level of master or PHD and the minority had primary school degree (3%).

Furthermore most of respondents had tenure between 11-15 years, 32% were working for the hotel between 1-5 years, 24% less than 1 year, and the rest were having work experience between 8-10 years.

As it is indicated in table 1, 50%of respondents were married and the rest were single.

Moreover, the majority of hotels were business type (49%).Thirteen percent were Holliday hotels and the rest were different types (38%).

According to the table 1, 35% of the hotels are 5 stars, 35 % 4 stars, 29 %3 stars and the rest were less than 3 stars (1%).

Most of the hotels numbers of room were between 100-25 (58%), 23% were having less than 250 rooms and 19 percent were having less than 90 rooms.

Also this table shows that more than half of these hotels were private ownerships (58%), 29% state and 13% family ownership.

About the status of the respondents, it is shown that most of the respondents were department managers, 23% were assistant general managers, 22 % were supervisors,

and the rest were general managers (8%) and only one percent were owners. Also 11% had different status.

Finally , as it is shown in table 1 , most of the respondents were working in F and B sector (35%), 20% in marketing, 18% in HR, 8 % in housekeeping , 8% in administrative ,1% in technical department, 5% in security and front office

Table 4.2: Importance of innovation

Variable	Scales	Frequency	(%)
Importance of Innovation for strategy	High	35	45.0
	Low	29	37.0
	Not important	11	14.0
	None	3	4.0
	Total	78	100.0

As seen in Table 2, the majority of manager (45%) considers the importance of innovation for strategy, as a significant factor. It should be mentioned that just a low percentage of management team (4%) ignored this factor.

Table 4.3: Promoting innovation in a formalized process or specific department

variable	Scales	Frequency	(%)
Department of Innovation	Yes	50	64.0
	No	28	36.0
	Total	78	100.0

According to Table 3, more than half of the managers (64%) confirmed the importance of existence of a formalized process or specific department for the goal of promoting the innovation.

Table 4.4: Allocating resources to identify and proposing innovation

Variable	Scales	Frequency	(%)
Types of innovation	Innovation related to management	17	22.0
	Innovation related to product	29	37.0
	Innovation related to knowledge or market	28	36.0
	Innovation related to process	4	5.0
	Total	78	100.0

Table 4 illustrated that most of respondents (37%) considered the innovation related to product as their priority option which is followed by innovation about marketing (36%).

Table 4.5: Allocating rewards for any innovation proposal

Variable	Scales	Frequency	(%)
Rewards given	Yes	47	60.0
	No	31	40.0
	Total	78	100.0

The data in Table 5 shows that the majority of managers (60%) agreed about the allocation of rewards to the staffs.

Table 4.6: Indicating type of reward

Variable	Scales	Frequency	(%)
Type of reward	FINACIAL	45	58.0
	NON FINANCIAL	33	42.0
	Total	78	100.0

Table 6 shows that more than half of managers (58%) had preferred the financial form of rewards.

Table 4.7: Keeping track of the effort dedicated to innovation

Variable	Scales	Frequency	(%)
Tracking effort for innovation	Yes	56	72.0
	No	22	28.0
	Total	78	100.0

By observing the data in Table 7, it is obvious that the majority of respondents (72%) had confirmed the keeping track of the effort dedicated to innovation.

Table 4.8: Innovative decision from the point of provision and implementation

Variable	Scales	Frequency	(%)
Decisions made by	MANAGERS	25	32.0
	DEPART	30	38.0
	MANAGER	22	28.0
	OWNER	1	1.0
	OTHER	78	100.0
	Total		

Table 8 shows that decisions about innovation are mostly made by department managers (38%) and then by managers (32%) and 28% by owners. As it is shown in table 9, the majority of managers (76%) confirmed the effectiveness and profitability of innovation.

Table 4.9: Measuring the profitability of innovation

variable	Scales	Frequency	(%)
Profitability of innovation	Yes	59	76.0
	No	19	24.0
	Total	78	100.0

Table 4.10: Measuring the effectiveness of innovation

Variable	Scales	Frequency	(%)
Measure of innovation effect	SERVICE	19	24.0
	SALES PER ROOM	25	32.0
	GENERAL	7	9.0
	GUEST NO	9	13.0
	ALL THE ABOVE	17	22.0
	Total	78	100.0

Table 4.11: T-T statistics for the most frequently used innovations in 3, 4 and 5 stars hotels

Measures	Mean	Std deviation	T value	Ranking
Sales channel innovation	,525	,502	9,23	1
New segments innovation	,474	1,192	3,51	2
Mark act innovation	,435	,499	7,71	3
Design innovation	,410	,495	7,31	4
Machinery, facilities innovation	,371	,486	6,75	5
Customer loyalty innovation	,371	,486	6,75	5
Quality management innovation	,320	,469	6,02	6
Communication activity innovation	,294	,458	5,67	7
Customer service innovation	,294	,458	5,67	7
Internal communication innovation	,294	,491	5,52	7
Purchase management innovation	,294	,458	5,67	7
New activity service innovation	,294	,458	5,67	7
Price control instruments innovation	,269	,446	5,32	8
Management operations department innovation	,269	,446	5,32	8
HR innovation	,230	,424	4,80	9
New product concept innovation	,230	,424	4,80	9
Operational price in	,217	,415	4,63	10
Organizational structures innovation	,205	,406	4,45	11
Environmental- impact management innovation	,192	,396	4,28	12
Budget control instrument innovation	,179	,386	4,10	13

As shown in Table 11, all the measures items for most frequently used innovation in 3, 4 and 5 stars hotels are significant according to the cut of level of T-value (> 2.00). Moreover; Table 11 illustrate that most of hotel managers considered these types of innovations as their significant factors in their hotels: sales channels, new segment innovation, market activity innovation and design innovation. Also the high factors which managers did not consider too much as the other ones were the factors such

as: operation process innovation, organizational structure innovation, environmental impact innovation and budget control instrument innovation.

Table 4.12: The most frequent used innovation

Variables	Frequency	(%)	Ranking
Budget control instrument innovation	64	82.0	1
Environmental- impact management innovation	63	81.0	2
Organizational structures innovation	62	80.0	3
Operational process innovation	61	78.0	4
Quality management innovation	53	78.0	4
HR innovation	60	77.0	5
New prod concept innovation	60	77.0	5
Price C inst innovation	57	73.0	6
Management operations department innovation	57	73.0	6
Internal communication innovation	55	71.0	7
Communication activity innovation	55	70.0	8
Customer service innovation	55	70.0	8
Purchase management innovation	55	70.0	8
New activity service innovation	55	70.0	8
New segment innovation	50	64.0	9
Machinery facilities innovation	49	63.0	10
Customer loyalty innovation	49	63.0	10
Design innovation	46	59.0	11
Marking activity innovation	49	56.0	12
Sales channels innovation	37	47.0	13

As shown in Table 12, the most important form of innovation for managers in hotels can be mentioned as budget control instrument innovation as the majority of managers (82%) confirmed its importance. After this factor, it is observed that environment- impact management innovation has been in second stage of priority by managers (81%). The third most significant feature form the managers' point of

view, was organizational structure innovation (80%) which followed by operational proc in and quality management innovation (78 % for each).

Also table 12, illustrated that some factors such marketing action innovation and also sales channels innovation had the lowest degree of importance (56%) and (47%).

Tables 4.13: Descriptive by hotel category for 5 star hotels

Variables	Frequency	(%)	Ranking
Activities aimed at increasing customer loyalty	17	22.0	1
Sales channel	16	21.0	2
Marketing Activities	15	20.0	3
Improvements in customer service	13	17.0	4
Quality management	13	17.0	4
New product concepts	11	15.0	5
Communication activities	9	12.0	6
New segments	8	11.0	7
Utensils, machinery or facilities	7	9.0	8
Architecture/design	7	9.0	8
Price control instrument	6	8.0	9
Operational process	6	8.0	9
Human resources	6	8.0	9
Purchasing management	6	8.0	9
Management of the operations department	6	8.0	9
Mechanism for internal communication	5	7.0	10
Environmental-impact management	4	6.0	11
New or improved activities or services	4	6.0	11
Budget control instruments	3	4.0	12
Organizational structure	3	4.0	12

According to Table 13, in 5 stars hotels activities aimed at increasing customer loyalty has the highest percentage (22%). The second activity which has attracted the highest attention (21%) from the managers is sales channel. The third factor mentioned here are marketing activities (20%) that is placed in third position. Moreover the other issue which is considered as significant issue are improvements in customer service.

The lowest factors which are illustrated in the table from the point of being significance are: budget control instrument and organizational structure (4%).

Table 4.14: Descriptive by hotel category for 4 star hotels

Variables	Frequency	(%)	Ranking
Sales channels	16	21.0	1
Architecture/design	16	21.0	1
Utensils, machinery or facilities	15	20.0	2
Quality management	14	18.0	3
New segment	13	17.0	4
New or improved activities or services	13	17.0	4
Purchasing management	12	16.0	5
Activities aimed at increasing customer loyalty	11	15.0	6
Budget control instruments	11	15.0	6
Marketing activities	10	13.0	7
Price control instruments	10	13.0	7
Management of the operations department	10	13.0	7
Organizational structures	10	13.0	7
Mechanism for internal communication	10	13.0	7
Environmental-impact management	8	11.0	8
Communication Activities	8	11.0	8
Human resources	7	9.0	9
Operational process	7	9.0	9
New product concepts	6	8.0	10
Improvements in customer service	5	7.0	11

In 4 star hotels, the most important factors are sales channels and architecture and design. Moreover Machinery or facilities has the second rank (20%) in this table followed by quality management (18%). Furthermore new segments or improved activities or services allocated the same rank in the table (17%).

The lowest percentage (7%) in the table belongs to improvements in customer service.

Table 4.15: Descriptive by hotel category for 3 star hotels

Variables	Frequency	(%)	Ranking
Marketing activities	11	15.0	1
New segments	10	13.0	2
Human resources	8	11.0	3
Sales channel	7	9.0	4
Architecture/design	7	9.0	4
Activities aimed at increasing customer loyalty	6	8.0	5
Price control instrument	6	8.0	5
Operational process	6	8.0	5
New or improved activities or services	6	8.0	5
Budget control instrument	5	7.0	6
Mechanism for internal communication	5	7.0	6
Management of the operations department	5	7.0	6
New product concepts	5	7.0	6
Communication activities	4	6.0	7
Utensils, machinery or facilities	4	6.0	7
Improvement in customer service	3	4.0	8
Purchasing management	3	4.0	8
Quality management	2	3.0	9
Environmental-impact management	2	3.0	9
Organizational structures	2	3.0	9

In 3 stars hotels, marketing activities (15%) and new segments (13%) had the highest percentage in the table. The third position in this table belongs to human resource

(11%). The lowest percentages (3%) in this table represent the factors such as quality management, environmental-impact management and also organizational structures.

Table 4.16: Mean Standard Deviation. Correlations of study's Variables

Variables	Mean	SD	1	2	3	4	5	6	7	8	9
1. Importance of innovation for strategy	1.77	.836	1000								
2. Department for innovation	1.36	.482	.111	1000							
3. Types of innovation	2.25	.855	.225*	.163	1000						
4. Rewards given	1.40	.492	.005	.703**	.106	1000					
5. Type of reward	1.43	.497	-.012	.549**	-.001	.630**	1000				
6. Tracking effort for innovation	1.29	.452	.208	.422**	.055	.655**	.674**	1000			
7. Decisions made by	1.99	.813	.091	-.054	-.014	-.052	.046	.010	1000		
8. Profitability of innovation	1.25	.432	.230*	.572**	.083	.577**	.421**	.441**	-.028	1000	
9. Measures of innovation effect	2.76	1.504	-.117	-.164	-.084	-.166	.018	-.050	.156	-.267*	1000

Note: Composite scores for each construct were computed by averaging respective item scores. The score for all constructs ranged from 1 to 5. SD denotes standard deviation. *Correlation is significant at the 0.05 level (2-tailed), ** Correlation is significant at the 0.01 level (2-tailed).

Table 16 depicts means, standard, deviations and correlations of the study variables. The correlation coefficients were significant at $p < 0.01$ and $p < 0.05$. It noticeable that types of innovation are significantly related to importance of innovation for strategy ($r = .225$, $p < 0.05$).

Moreover, rewards given are significantly correlated to department for innovation ($r = .703$, $p < 0.01$).

Type of reward is significantly correlated to department for innovation ($r = .549$, $p < 0.01$) and rewards given ($r = .630$, $p < 0.01$).

Tracking effort for innovation is greatly correlated to department for innovation ($r = .422$, $p < 0.01$), rewards given ($r = .655$, $p < 0.01$), and types of reward ($r = .674$, $p < 0.01$).

Profitability of innovation is significantly related to importance of innovation for strategy ($r = .230$, $p < 0.05$), department for innovation ($r = .572$, $p < 0.01$), rewards given ($r = .577$, $p < 0.01$), type of reward ($r = .421$, $p < 0.01$) and tracking effort for innovation ($r = .441$, $p < 0.01$). Nevertheless, measures of innovation is negatively related with profitability of innovation ($r = -.267$, $p < 0.05$).

Chapter 5

DISCUSSION AND CONCLUSION

The purpose of this thesis was to being informed about the practical innovation in hotel industry, how it is performed and what the implementation is. The study was done based on the available theory about the innovation in literature review. A combination of Descriptive and Normative model (Verworn & Herstatt, 2002) were applied; the objective of former model, is for description and evaluation of actual practice and the latter is recommendation of an ideal process, also the target group of descriptive model are researchers and practitioners, but the target group for normative model are researchers, practitioners and also students.

Accordingly, this chapter presents detailed information regarding the discussion and conclusion. It discusses the result, presented in previous chapter, based on the literature review; in other word, literature review and fundamentals of innovation, also comparing them by the result, leads us to discussion. Furthermore, implications are provided for hotel management, owners and who are responsible for innovation in hotel in North Cyprus. The next step is conclusion, for in-depth understanding of the effects of innovation in hotel industry. Finally, the limitations of present study and direction for further studies are provided.

5.1 Discussion

Specifying characteristics of innovation is a significant issue not only in hotel industry, but in hospitality; so it is undeniable that it must be considered in academic research.

This research shows the demographic data of sample in two aspects: the demographic data of respondents and the demographic data of sample hotels. Generally, it can be understood from the result that innovation topic in hotel is more interesting for young generation working in hotels; also there is not any positive relationship between the level of education and attention to innovation. In comparison the more a person has experience in working and been tenured, the more he/she is keen about the topic.

In regard to hotels demographic the stars of hotels has a positive effect on being accurate about the innovation in hotels; furthermore attention to innovation is more obvious in private hotels than the state ones, which it is consistent with relevant literature and also is confirmed by the other demographic results that smaller section managers are more keen about the topic.

Regarding different departments in hotel, F and B department are significantly more inserted in innovation topic in compare to other sections.

The finding indicates the importance of innovation, which can be considered for strategic development in hotel; the significance of it can be confirmed also by the effectiveness of having a formalized process or specific department for promoting innovation, which allocates a considerable confirmation for itself in results. The

importance also is confirmed by Razvan et.al (2014) who stated “Hotel innovation is one of the important elements which enable companies in the hotel industry to achieve certain level of performance” (Razvan et.al, 2013).

This study examined if targeted hotel give any sort of rewards for innovation proposal, which results show the responses of more than 50 per cent for it; it shows the importance of innovation in hotel. The considerable responses (72%) to the question about keeping track of innovation effort, also confirms the importance of innovation for hoteliers.

The finding shows that although hoteliers consider the innovation as an effective approach for improvement, there are some differences among the effectiveness of different sections. For example, allocating resources to identify and proposing innovation is in a high level of attention in product innovation and market innovation. Innovation related to management is in next stage, but with long distance.

It is believed that decision making process is very important in innovation (Razvan et al., 2013). This research also shows that decisions about innovation are mostly made by department managements, both from the point of provision and implementation. As it is mentioned before managers in smaller sectors are more accurate and keen about the innovation in hotels than the owner of that hotels. It is consistent with relevant literature as it was stated that owners are the most influenced obstacles to renovation in the Egyptian hotel industry which can be lead to innovation (Hassanien & Baum, 2008). In comparison it was stated that tour operators and owners influence significantly in the decision making process (Orfila & Mattsson, 2009).

It is obvious from the result that the effectiveness of innovation is measured by the objective criteria; increasing in sales (for instance selling per room) had the most level of attention among respondent. It is consistent with previous literature; as it was stated that market response effects considerably on the innovation process (Chia-Hui & Chang, 2013), also sales is called market response in Taiwan hotels innovation process and is a key success factors in Service Innovation (Razvan et al., 2013).

There were 20 different innovations addressed in previous researches, all of them were asked from managers if they had carried out these innovations in their hotels. The T.T statistical analysis shows the significant of all these factors, which means all of 20 innovations have affected the innovation in hotel industry.

Generally, regarding to frequent used innovations, budget control instrument was the most frequent used innovation in targeted hotels, and sales channels innovation was the least. The other factors were between them, ranged from 47-82%. It is in some cases consistent with previous literature, “Budget control instruments” and “organizational structures” were the most frequent interested innovation in TRNC hotels. Undoubtedly, enhanced knowledge of the market is necessary for implementing them, similar to Vila’s results (Vila, 2011). Renovation is introduced by previous research as an important marketing tool (Hassanien & Baum, 2008) which is in conflict with our result; “Design Innovation” was ranked as 11th category and was not interested by hoteliers in TRNC.

To be more accurate, the attractiveness of 20 activities was compared based on hotels category: 5 star, 4 star or 3 star hotels. For example in 5-star hotel “Activities aimed at increasing customer loyalty” and “Sales channel” were the most used activities in

relation to innovation. Similarly “Sales channel” was in top of interest with “Architecture/design”. In comparison “Improvements in customer service” was the 4th ranked in 5-star hotel, but the last one in 4-star hotel. “Marketing activities” was the most attractive innovation in 3-star hotels and the least attractive activity was same as 5-star hotel: “Organizational structures”.

It should be considered that in comparison process, attention to the ranking of interested innovation activities in each hotel category is important. For example, quality management is in last ranking in 3-star hotels, while it is in 4th ranking of interest in 5-star hotel.

The findings of the study show that managements value importance of innovation for strategy and types of innovation as the factors which are highly related to each other in a positive way.

Moreover, the types of rewards have a positive effect also on the rewards given and the department of innovation because they are highly correlated to this sector and also it can be proved according to previous findings in studies.

Tracking effort for innovation is also related to the rewards given, types of rewards and the department of innovation which means that management have to consider these three main factors if they want to have the best effort to achieve innovative operations.

The relationships between Profitability of innovation, importance of innovation for strategy, department of innovation, the rewards given, types of rewards and tracking

effort for innovation are significant which means that these variables consist of the factors which have high correlations to them and their roles are very effective for innovation activities.

The measures of innovation effect are unexpectedly negatively related to profitability of innovations which shows that the highest the profitability of innovation is, the lowest the measures of innovation effect is.

5.2 Conclusion

Based on the outcomes of this research some general points can be concluded as follows: The significant of demographic data in descriptive studies related to hotels and especially in innovation process is undeniable.

Privatization has a positive effect in improving the innovation process in hotels; the most accurate management regarding the innovation, are those who are familiar with all aspects of their segment, regardless it is important or not. Furthermore it can be implemented that managers in smaller sectors are more accurate and keen about the innovation in hotels than the owner of that hotel.

Innovation in some departments of hotel is undeniable, and in other word without innovation, that part will be destroyed, such as F and B department.

Innovation is found such an importance phenomenon for strategic development in hotels that existence of a formalized process or specific department for promoting is required. Besides, it is necessary for the process to be monitored by the informed manager of that hotel.

Among all discussed innovation activities, some were more considered by hoteliers while some innovations were not implemented in that hotel. Generally, significance of innovation type varies based on the hotels stars. It seems that hotels in TRNC have implemented a range of varied innovations to get to their own targets.

Overall, the survey concluded that innovation is an effective approach for improvement and hoteliers keep track about the topic, so more accurate researches on the topic are needed, both in the form of academic proposal and business projects. Although hoteliers were familiar about the different activities related to innovation, it is necessary for them to recognize which kind of innovation is the most effective one for their hotels. Ottenbacher believes that “it is important in innovation process to be ensuring if the innovation is matched to the targeted market” (Ottenbacher, 2005).

5.3 Implication

There are some implications drawn by this study which can be used in hospitality sector, especially it can be beneficial for hotel managers and those who are effective in the decision process about the innovation.

Hospitality and tourism in TRNC is a challenging issue, as the economy is affected directly by tourism. On the other hand, innovation is such a factor that can influence the hotel based on different aspects, such as financial, tourist satisfaction, etc. Considering all of this, the importance of innovation, especially in North Cyprus hotels is undeniable; unless innovation the hotels will face some difficulties in both demand and supply side.

It is also necessary for hotelier to be aware about the function of innovation and recognising some criteria about it: what section needs innovation, when innovation is

needed, what kind of innovation is needed. In result, education and researching about the topic should be applied by hotel managers, although motivating them is a process which can be achieved by holding training programs and state-funded education (Yavas et al., 2004).

To sum up, hotels in North Cyprus can benefit from researches about innovation as they can increase the sale in an assured way. Furthermore, a specific section in hotels is needed for searching, estimating and implicating the innovation in hotel. To obtain and achieving this issue an organized and constant communication between the academic society and business society is required.

5.4 Limitation and Future Study

To addressing the limitation of this study, firstly open-ended questions were not recruited in questionnaire. As it was considered as a choice for respondent to feel free about the topic and express their view about the innovation (Chia-Hui & Chang, 2013). Secondly, this study was conducted just in TRNC and used hotel in this area as a case study, so it would be beneficial to conduct such studies in other countries, or in comprehensive projects.

Third, this survey has been implemented in one single service industry, so it cannot be ethical to extrapolate the result to the hospitality section, while the result can diminish the problem (Hartline & Ferrell, 1996) or being used for future studies to connect the hotel innovation and hospitality.

Finally, the managers of each section were the only respondent community, so all the variables are measured based on their view. The effectiveness of innovation in hotel can also be measured based on the tourist's view, in future studies.

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APPENDIX

Appendix A: A FIELD STUDY IN THE HOTEL INDUSTRY IN CYPRUS

Innovation Activities Implemented In the North Cyprus Hotel Industry

Dear Respondent:

This research is aimed to better understand your perception about the innovation activities practiced at your hotel. Therefore, we kindly request that you self-administer this questionnaire.

Any sort of information collected during our research will be kept in confidential. We appreciate your time and participation in our research very much.

If you have any questions about our research, please do not hesitate to contact Mrs. Shabnam Namjooyan through her e-mail address: shabnam.namjouyan@gmail.com.

Thank you for your kind cooperation.

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PART I

Please fill in the boxes according to your assessment.

1. line of business

Holiday

Urban (business)

2. Hotel category

5stars 4stars 3stars other

3. Hotel size (number of rooms)

>250 250-100 < 99

4. Hotel category according to ownership

Private Trustee Family

PART II

1. Importance of the innovation for the hotel development strategy

High Fair Low None

2. For promoting innovation do you have a formalized process or specific department?

Yes No

Within the hotel, we mostly focus our efforts to allocate resources to identify and propose innovation:

1. Innovation related to management	<input type="checkbox"/>
2. Innovation related to product	<input type="checkbox"/>
3. Innovation related to knowledge or market	<input type="checkbox"/>
4. Innovation related to process	<input type="checkbox"/>

3. Do you give some sort of reward for any innovation proposals

Yes

No

If your answer is **NO** go to **Question 6**

5. If yes please indicate (type of reward)

Financial non-financial

6. Do you keep track of the effort dedicated to innovation?

Yes No

7. From the point of provision and implementation; innovative decisions are made by:

1. General Manager	<input type="checkbox"/>
2. Department manager	<input type="checkbox"/>
3. Owner	<input type="checkbox"/>
4. Other (please specify)	<input type="checkbox"/>

8. Do you measure the effectiveness or profitability of innovation?

Yes No

If your **answer** is **NO** answer **question 10**

9. If your answer is YES how do you measure?

1. Improvements in service quality	<input type="checkbox"/>
2. Increase in sales	<input type="checkbox"/>
3. Increase in GOP	<input type="checkbox"/>
4. Increase in more customer	<input type="checkbox"/>
5. Other (please specify)	<input type="checkbox"/>

10. Innovations that hotel carried out most frequently (please put if you think anyone of them is implemented)

1	Sales channels	
2	Marketing activities	
3	Activities aimed at increasing customer loyalty	
4	Communication Activities	
5	New segments	
6	Improvements in customer service	
7	Budget control instruments	
8	Price control instruments	
9	Mechanism for internal communication	
10	Operational process	
11	Human resources	
12	Purchasing management	
13	Quality management	
14	Management of the operations department	
15	Environmental-impact management	
16	Organizational structures	
17	New product concepts	
18	New or improved activities or services	
19	Utensils, machinery or facilities	
20	Architecture/design	

PART III

Please indicate your answer by placing a (√) in the appropriate alternative.

1. How old are you?

18-27 ()

28-37 ()

38-47 ()

48-57 ()

58 and over ()

2. What is your gender?

Male ()

Female ()

3. What is the highest level of Education you completed?

Primary school ()

Secondary and high school ()

Vocational school (two-year program) ()

University first degree ()

Master or Ph.D. degree ()

4. How long have you been working in This hotel?

Under 1 year ()

1-5 years ()

6-10 years ()

11-15 years ()

16-20 years ()

More than 20 years ()

5. What is your marital status?

Single or divorced ()

Married ()

Thank you for your kind cooperation.