

## Chapter 14

# Micro-trajectories between the Audiovisual and Tourism Sectors: Small Firms Working with the Public Sector

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### Abstract

The chapter takes a micro-level view to investigate cross-innovation between the audiovisual media and tourism sectors. It provides a narrativised account of the creation and development of two location-based film tourism apps, one developed in Hamburg, Germany and another in Malmö, Sweden. In doing so, it aims to elucidate the dynamics of innovation at the boundaries of industries, as experienced by individuals and small groups engaged in the process. The conclusion of the chapter focuses on the broader issue of the relative slowness of innovation in the tourism industry, as well as the shortage of private sector-driven initiatives that address this issue. It also touches upon the critical issue of the platformisation of tourism industries and its potential effects on cross-innovation.

*Keywords:* Smart tourism; location-based app; augmented reality; virtual reality; film tourism; cross-innovation

### Introduction

Much of the discussion on the future of tourism currently revolves around the notion of ‘smart tourism’ whereupon ‘the physical and governance dimensions of tourism are entering the digital playing field, [...] and the ways in which tourism experiences are created, exchanged, consumed and shared are fundamentally different’ (Gretzel, Sigala, Xiang, & Koo, 2015). Smart tourism builds on a



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variety of technologies, including social media, ticket and hotel reservation platforms, geolocation and big data analytics. Most recently, the emergence of augmented reality (AR) has been a particularly conspicuous development (Chung, Han, & Joun, 2015), promising further innovation in the tourism sector – one directly involving the storytelling expertise, skills and often also the social capita of the audiovisual (AV) media industries.

But how does innovation in tourism work on a micro-level? Who is it that innovates, what drives them and what challenges do they face? This chapter aims to address these questions through the lens of a narrativised account, based on two cases, both location-based tourism apps funded through Cross Motion. The cases are informed by a series of interviews with stakeholders involved in the development of the apps, conducted over a period of a year in Tallinn, Hamburg and Malmö. The conclusion of the chapter will use the cases to illustrate some of the dynamics and challenges of innovation in the tourism sector.

### **Cases 1 and 2: Location-based Apps to Promote Film Tourism**

Alexandra and Julia had been discussing the idea for months: a location-based application that would offer tours of Hamburg, focusing on places connected with popular movies and television series set or shot in the city. The application, they believed, would promote Hamburg as a destination for film tourism, building on the existing cooperation between the Hamburg Film Fund (where the two of them worked) and the city's tourism board. It would also help extend the Film Fund's range of activities beyond cinema proper, to include other digital media and technologies. This was, after all, the way to go in a world where the boundaries of individual media and creative industries are increasingly blurred. In fact, several film funds in other German cities, such as Munich and Leipzig, had already begun to explore the convergence of film, tourism and mobile technology by developing their own location-based apps.

The challenge for Julia and Alexandra, however, was that the Film Fund did not have the in-house staff with the competences and resources needed to produce the application they were contemplating. Nor did the Fund have the budget to outsource the project to a contractor: the Fund's general interest in digital convergence was not, at the time, supported by its operational model, which focused almost exclusively on conventional cinema. Instead, Alexandra and Julia resolved to wait for an opportunity to bring their vision to life, and such an opportunity presented itself when the Film Fund became a Cross Motion partner.

Unlike some of the other Cross Motion project partners, the Film Fund opted against soliciting new ideas via a hackathon-type event, choosing instead to find a contractor for their existing idea. The idea itself, however, remained fairly vague, due to the Fund's lack of prior expertise in the field. As such, the contractor would have significant creative autonomy when developing the application, while the Fund would act in more of a supervisory, rather than directorial, capacity. With this in mind, the Fund announced a call for bids, soliciting proposals for what was tentatively called Movie Map App. In addition to a cost

estimate (a crucial criterion due to the limited resources at the Fund's disposal), the Film Fund asked bidders to detail the specific functional and design features they would implement. According to Alexandra, they were looking for proposals from young and innovative developers who, however, had some experience and were preferably local (a promising bid from Munich was rejected in favour of local proposals). After receiving eight bids, they eventually settled on the proposal submitted by a young Hamburg native called Simon, whose vision was well thought-out and included a number of innovative features (such as using AR to superimpose film scenes onto real-life locations), but was also reasonably priced due to Simon's willingness to undertake most of the work alone.

Simon had returned to Hamburg after completing a degree in Computer Science at a university in the UK, where his graduation project was an AR-assisted virtual guided tour. Following his return, he was working as a freelance Android developer and collaborated with a number of start-ups, from a ride-sharing app to a logistics solution. When he came across the call for bids, he saw it as a chance to capitalise on his existing expertise. Like much of his other work, he considered *Movie Map App* as an opportunity to build his portfolio and enhance his skillset, edging closer to his dream of future independence and entrepreneurship ('It runs in the family,' Simon and his brother Max told me, pointing out that their mother owned a company and their father was an architect). The appeal of this particular project was also that Simon would be able to start from scratch and not take over from someone else (a common scenario in the ever-changing start-up scene), getting to devise the project design and own the intellectual property rights to it.

However, the limited financing and time frame also meant that Simon would have to keep the project small-scale and do most of the work himself. That being said, he did rely on others' help when it was needed, utilising his existing social network to receive support in areas ranging from technical implementation of AR to designing user engagement. He also made use of the existing infrastructure for start-ups and entrepreneurs, such as the *Betahaus* co-working environment for tech projects in Hamburg. At the same time, Simon found some of the infrastructural support available to him in the form of idea incubators and various training (including those of *Cross Motion*) to be of limited utility: contrary to the basic assumption of many of these events, he was not developing his own start-up but rather doing commissioned work as a contractor, and for a non-profit, public sector project at that, which entailed a very different mindset and operational model from what these events seemed to be oriented towards.

From the beginning, Simon accepted that the project, as he would hand it over by the deadline, would likely be incomplete, and there was no certainty regarding its future after that. Keeping that in mind, Simon adopted an agile development methodology, focusing on available resources and time rather than a predetermined set of features (his project proposal listed an ambitious set of features, many of which would likely have to wait for a future release).

Despite this pragmatic approach to development, Simon still found some aspects of the process frustrating. Interaction with the Film Fund was somewhat sporadic, resulting in development progressing in bursts rather than small

increments as he had originally hoped. Most problematically, he had to repeatedly ask for actual content to integrate in the application, as the Fund had difficulty negotiating the use of film content with copyright holders – despite having committed to doing so in the contract. Eventually, only two of the six companies contacted by the Fund responded and provided some content (movie clips and stills, behind the scenes images and trivia), and only one of the two submitted enough material to create an actual technology-assisted tour. Even that material had to be processed and, even though Simon's role was supposed to be that of the developer, he ended up doing extra work, such as cutting out video clips (the Fund did, however, provide the text content for the tour).

The Fund's lack of a coherent vision was another source of frustration, with Simon often feeling like he had to make decisions that should have been up to his clients. He was particularly concerned about the lack of clarity regarding the future of the project and was unsure of his involvement beyond the concluding Cross Motion event. While he seemed to take pride in the outcomes of his work and acknowledged his professional development over the course of the project, Simon was not willing to contribute for free after the funding ran out, and acutely felt that a sustainable business model or a financing plan was lacking.

The Fund, on the other hand, seemed more optimistic in its evaluation of the project outcomes. Alexandra acknowledged that delivering content for the application was at times challenging, but did not perceive it as a major obstacle. She found that Julia and herself were 'almost always in agreement' with Simon, stating that for them, participation in the project was 'almost too easy' due to Simon's readiness to take the initiative. Regarding the future of the project, Alexandra pinned her hopes on the tourism board's willingness to get involved and invest in the development of a fully fledged product, which would likely necessitate a bigger team. To that end, representatives of the tourism board were invited to attend the project's presentation in Aarhus, Denmark, where Simon demonstrated his work and outlined future directions and prospects.

Ultimately, despite the challenges involved, Simon ended up exceeding his own expectations and was able to showcase some features that had originally been slated for a hypothetical future release. The prototype included a location-based scavenger hunt game, information about movies relevant to the tour (and their trailers), Facebook integration and the highlight of his initial application: an AR feature which could overlay a movie still onto the input of the phone camera. The app also provided an easy way of creating new tours and was designed as a platform which could be used in other locations.

Impressive as this outcome was, it did not immediately secure the future of Movie Map App. Negotiations with the tourism board would remain ongoing even half a year after the event in Aarhus and, though the Film Fund remained optimistic, it was obvious that the future of the project was taking considerable time to take shape. Simon stayed in the picture, hoping to see the project through, although, if the necessary resources were procured, he would do so as part of a bigger team.

What Movie Map App did accomplish even before its release was to help the Film Fund fully embrace digital innovation as part of its sphere of interest.

Work on the project was both a catalyst for and proof of the feasibility of going beyond film proper, and soon the Fund found itself engaging in a variety of other digital media projects and initiatives. In the aftermath of the presentation in Aarhus, the Fund organised a virtual reality (VR)-enabled international tele-conference on innovation in Hamburg; soon after, it co-sponsored a conference on animation and digital technology. In the second round of Cross Motion, the Fund chose to solicit ideas from the bottom up, awarding funding to a VR rehabilitation solution – a dramatic extension of what had once been seen as the Film Fund's area of activity.

On a wider scale, the case of Movie Map App appears in many ways indicative of the dynamics of cross-innovation in the tourism sector. Unlike the healthcare and education sectors, many projects in the sector appear to originate from the public institutions themselves, rather than from the bottom up, relying on contractors to implement preconceived ideas rather than start-ups to produce their own innovative solutions. Many of these projects are also similar conceptually, with location-based applications being the most conspicuous trend in the sector.

Simon's experience with Movie Map App also resonates with that of other contractors working on tourism-related projects commissioned by public organisations. Andrea, a product manager at a digital design studio in Malmö, reported a similar lack of clarity on the client's part when the local municipality commissioned a film noir-themed location-based app for tourists from the studio. While not an issue in and of itself, as conceptual design fell well within the studio's area of expertise, this also meant that whoever continued the development of the app past the initial prototype stage (which was what the funding and the time frame allowed), would inherit a project largely shaped by the studio's early-stage decisions. This lack of a long-term vision due to the short-term and often opportunistic nature of the funding was, based on Andrea's experience, a tendency in the public sector.

Another aspect Andrea, like Simon, found problematic was communication between the various parties involved. She felt that, unlike the private sector, whose modus operandi is largely informed by the need to make profit, the public sector has less pressure to be efficient. This could lead to unclear organisation of work and division of responsibilities. In Andrea's case, the project involved several bureaux of the municipality and, on a number of occasions, she found herself acting as a mediator between them to facilitate more efficient communication.

As such, the experience of an established studio proved more similar than different to that of a freelance contractor.

## **Conclusion**

The two cases discussed above share a crucial commonality: both projects started as commissions by public entities, with private actors' involvement being limited to the role of contractors. In fact, none of the tourism-related projects funded through Cross Motion were implemented by start-ups or established companies specifically focusing on the tourism sector. Instead, these were largely

one-off collaborations between AV and digital media companies on the one hand and tourism boards, municipalities and museums on the other. Unlike in healthcare and education, the private sector showed little interest in developing its own innovative solutions for tourism, while the public sector struggled to maintain a sustained effort to innovate.

This is not to say, of course, that tourism is not capable of innovation in principle. Sustainable tourism and ecotourism were seen as an innovative paradigm in the 1990s and a potential driver for further innovation in the field (Hjalager, 1996). With the advent of Web 2.0, the emergence of such platforms as TripAdvisor, Airbnb and Skyscanner constituted an innovation in its own right, reflecting a shift towards more personalised services and greater agency on the tourist's part (Buhalis & Law, 2008). Yet, as emphasised by van Dijck, Poell, and de Waal (2018), this kind of 'platformisation' has at times resulted in unsustainable costs and widened inequalities in major tourist destinations. Furthermore, as discussed below, the global platforms may also present an obstacle for small and medium-sized enterprises (SMEs) seeking to innovate. Overall, compared to education and especially healthcare, the tourism sector remains slow to innovate at all levels: SMEs 'demonstrate an inclination to free-ride and be late and safe adopters' (Hjalager, 2010, p. 9), while large-scale national projects aiming to promote tourism innovation have had limited success at best (Mei, Arcodia, & Ruhanen, 2015).

There are a few factors at play here. Since platforms such as TripAdvisor and Airbnb have a firmly established presence in the tourism market and do not directly charge users for their services, developing business-to-customer services is an exceedingly challenging undertaking for potential innovators in the private sector, given that tourists are not used to having to pay for information. Tourism is also a sector largely comprised of small enterprises, which simply do not have the necessary resources to innovate (Hjalager, 2002, p. 473). A parallel can be drawn here between the challenges faced by the tourism sector and those experienced by the media sector due to the platformisation and datafication of the field, where tools for all kinds of users are often provided for free in exchange for data and the monopolisation of access to consumers (Bilton, 2017).

Next to this, public actors, as both Simon's and Andrea's accounts demonstrate, often lack a clear vision and understanding of innovation, thus potentially inadvertently inhibiting innovation instead of promoting it; they also tend to suffer from an institutional resistance to change and organisational challenges (Mei et al., 2015). These circumstances can lead to something of a vicious circle: in the absence of clear monetisation options, 'smart tourism' (Gretzel et al., 2015) is often funded by public institutions, but the institutions themselves lack the competences to sustain properly innovative development; at the same time, their persistent involvement further perpetuates the idea that 'smart tourism' solutions are free of charge for the end user, meaning that the business-to-customer financing models are not seen as viable by private enterprises. The meso-level policy makers also tend to ignore the

structural imbalances that derive from the global platformisation to local-level tourism innovators.

It thus appears that, while ‘smart tourism’ has become a buzzword and inspired public tourism institutions to seek to innovate their practices, it has not yet triggered large-scale bottom-up innovative practices in the Baltic Sea region; neither has it forged a distinct epistemic community wherein operating at the intersection of tourism and digital media would be internalised as the principal professional identity. However, continued effort and self-reflection on the part of the public sector, coupled with increased engagement of private enterprises, continued technological development as well as forms of ‘interactive learning’ (Lundvall, 1992) between tourism and AV media sectors, may help deliver on the promise of more systematic, substantial and meaningful cross-innovation in tourism.

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