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Abstract

It is generally acknowledged that innovation is an important source for competitive advantage among tourism destinations. The goal of this study was to identify and assess the nature of innovation by American convention and visitors bureaus. In particular, this study examined the extent, timeliness, and continuity of innovation in Web marketing efforts and the perceived contribution of this investment to the overall success of the bureau's Web marketing program. The findings indicate that American convention and visitor bureaus have invested substantially in their websites and continue redesigning them as new technology and Web marketing trends emerge. However, it appears that there is a substantial gap between bureau investments in innovative website features and related activities and their perceived contribution to overall Web marketing success.

Keywords

Innovation, web, marketing, programs, American, convention, visitor, bureaus

Disciplines

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INNOVATION IN THE WEB MARKETING PROGRAMS OF AMERICAN CONVENTION AND VISITOR BUREAUS

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It is generally acknowledged that innovation is an important source for competitive advantage among tourism destinations. The goal of this study was to identify and assess the nature of innovation by American convention and visitors bureaus. In particular, this study examined the extent, timeliness, and continuity of innovation in Web marketing efforts and the perceived contribution of this investment to the overall success of the bureau's Web marketing program. The findings indicate that American convention and visitor bureaus have invested substantially in their websites and continue redesigning them as new technology and Web marketing trends emerge. However, it appears that there is a substantial gap between bureau investments in innovative website features and related activities and their perceived contribution to overall Web marketing success.

Key words: Innovation; Convention and visitor bureaus; Destination marketing; Internet marketing

Introduction

The Internet has become one of the most important strategic and operational developments within the tourism industry over the last decade (Buhalis, 1998, 2000; Werthner & Klein, 1999). As suggested by Poon (1993) and emphasized by Werthner and Klein (1999), the Internet and related technologies represent an important opportunity for tourism organizations in their effort to attract and retain visitors. However, effective use of the In-

ternet in Web marketing remains a substantial challenge for tourism organizations (Gretzel, Fesenmaier, Formica, & O'Leary, 2006; Gretzel, Yuan, & Fesenmaier, 2000; Travel Industry Association of America [TIA], 2006). Indeed, recent research indicates that bureaus are extremely limited in their willingness and ability to use the Internet effectively due to inadequate budgets, lack of leadership capabilities, and an incomplete understanding of Internet technologies (Buhalis 2000; Gretzel et al., 2006; TIA, 2006; Yuan, Gretzel, & Fesen-

maier, 2003). Perhaps more importantly, this research seems to suggest that their lack of capacity to innovate keeps bureaus from realizing the full benefits of the Internet (Gretzel & Fesenmaier, 2001a, 2001b; TIA, 2006).

Innovation is becoming increasingly important within the tourism industry where a great need to develop competitive advantage exists (Hjalager, 2002, 2010; Poon, 2003; Sundbo, 1997). Research on innovation in tourism has focused on identifying various loci of innovation in tourism (Hjalager, 2002), and examining innovation at the destination level (Stamboulis & Skayannis, 2003; Volo, 2005), within the Alpine hotel industry (Weiermaier, Peters, & Frehese, 2005) and other small and medium-sized tourism enterprises (Pikkemaat & Peters, 2005). It appears that in the tourism arena the notion of innovation has been especially accepted as a value-generating activity focused on creating an advantage for tourism destinations in competition with other destinations (Hjalager, 2002; Ritchie & Crouch, 2000; Volo, 2005).

While it is generally understood that innovation requires a continuous commitment by the organization, studies assessing the importance of innovation as an on-going activity in tourism marketing organizations have not been conducted. In an effort to contribute to research on information technology (IT)-related innovation in tourism organizations, this study aims to first evaluate the extent to which American convention and visitor bureaus (CVBs) innovate in their Web marketing efforts and whether they do so on a continuous basis; second, this research seeks to identify the primary drivers of innovation in Web marketing. Finally, this article assesses the relationship between innovative behavior in Web marketing and the bureaus' overall success in their Web marketing efforts.

Web Marketing in American Convention and Visitor Bureaus

Web marketing leverages new, technology-mediated forms of direct and personalized interactions and transactions between marketers and consumers (Hoffman & Novak, 1996; Parsons, Zeisser, & Waitman, 1998). The interactive and networking

capabilities of the Internet enable tourism organizations to employ a variety of approaches in order to attract, engage, retain, and learn about visitors (Buhalis, 2000; Gretzel et al., 2000). Recent research by Wang and Fesenmaier (2006) argues that the main Web marketing activities of American CVBs are reflected in three functional areas: 1) website content, including information provision-related elements such as search functions and listings of attractions and services; 2) website promotion, consisting of techniques such as search engine optimization as well as advertisements on websites and other media; and 3) website e-Commerce, represented by transaction related features that target behavioral outcomes from visitors and, at the same time, aim at relationship building. These three functional areas coincide with a stage-wise understanding of the development of websites where Stage 1 is represented by "publishing websites," which provide information about an organization and its products in a brochure-like style (Hanson, 2000). Stage 2 websites, on the other hand, provide information as a result of ask-response interactions. Finally, Stage 3 websites make use of databases and provide information based on data stored about the website visitor.

Recent studies (Gretzel & Fesenmaier, 2001a; TIA, 2006; Wang & Fesenmaier, 2006; Yuan et al., 2003) have examined the use of the Internet by American CVBs and found that few bureaus have the capacity to effectively use the Internet to support sophisticated destination marketing efforts. Importantly, Yuan, Gretzel, and Fesenmaier (2006) reported a positive relationship between Internet-related investments and firm performance, which implies that the use of Internet-based tools in a meaningful and innovative way is crucial to creating additional value for existing and potential visitors. The growing use of the Internet as a source of information by travelers increases the pressure on CVBs to continually provide new website features in order to increase the number of website visitors, and ultimately visitors to the destination. Thus, for this study, it is posited that this new environment represents a substantial driver for bureaus to become highly innovative, whereby they must continuously integrate new website features and related activities in order to

improve their overall marketing/communication program.

Innovation and Competitive Advantage

Organizational research indicates that successful businesses can develop a competitive advantage by generating extra value for their customers. This value can be achieved by providing equivalent products and services at a lower price than competitors (cost leadership) or by providing unique products and services at a higher price (Porter, 1985). A key component in creating a competitive advantage is organizational innovation through the integration of devices, systems, policies, programs, products/services, or processes that are new to the focal organization (Damanpour, 1991; Lengnick-Hall, 1992; Zaltman, Duncan, & Holbeck, 1973). The results of this line of research provide a foundation for understanding the nature and importance of innovation including the organizational preconditions (e.g., Cohen & Levinthal, 1990; Damanpour, 1991; Damanpour & Gopalakrishnan, 1998; Hage, 1999; Kimberly & Evanisko, 1981), the impact of the environment influencing organizations (e.g., Burns & Stalker, 1961; Drucker, 1985; von Hippel, 2005), the locus of innovation (e.g., Schumpeter, 1939), the adoption and diffusion of innovation (e.g., Frambach & Schillewaert, 2002; Rogers, 2003), and the measurement of innovation (both innovativeness and the performance of innovations) (e.g., Ahuja & Katila, 2001; Cooper & Kleinschmidt, 1987). However, these studies have focused in large part on manufacturing. Only a few studies have examined innovation for service industries (e.g., Barras, 1986; Gallouj & Weinstein, 1997), new service development (e.g., Easingwood, 1986; Kelly & Storey, 2000; Sundbo, 1997), and the performance of service innovations (e.g., de Brentani, 1989; Hipp & Grupp, 2005). These studies found that innovation in services is fundamentally different from innovation in manufacturing industries in that it is largely process oriented, and that single innovations do not necessarily provide a long term competitive advantage.

Drucker (1985) defined innovation as a "persistent and purposeful activity, requiring long-term

commitment and continuous effort" (p. 32). Continuous innovation happens as either a "generation process," resulting from innovative outcomes generated by the organization, or as an "adoption process" for organizations adopting innovative outcomes developed by other organizations (Damanpour & Gopalakrishnan, 1998). Also, innovation incorporates the possibility of developing and adopting new ways for marketing old products. Addressing this issue, innovation has been defined as both the application of something new, as well as doing old things in a new way (Rogers, 2003; Schumpeter, 1939). Hence, both improvements to the status quo as well as the introduction of something new to the organization are considered innovations. However, there are different approaches to defining innovation based on varying definitions of what constitutes "newness" (Garcia & Calantone, 2002). Schumpeter (1939), for example, argued that only completely new ideas qualify as innovations; at the same time, he and others have acknowledged that the concept of innovation should incorporate incremental change (Hage, 1999). Also, it has been argued that the question "New to whom?" is important when measuring innovation (Johannessen, Olsen, & Lumpkin 2001). For the purpose of this article, a broad definition of innovation following Rogers (2003) is used; specifically, innovation is defined as "ideas, practices and objects perceived as new by an individual or other unit of adoption" (p. 11). Thus, it is posited in this article that central to the definition of innovation is the recognition that value is created through the implementation of a product, service, or process perceived as new or improved by the respective organization and that this added value can provide at least short term competitive advantage.

A key element for the creation of competitive advantage is the use of IT (Porter & Millar, 1985; Powell & Dent-Micallef, 1997). The relationship between the use of IT and innovation in service industries has been closely considered by a number of scholars (Barras, 1986; Gallouj, 1998; Nord & Tucker, 1986). Barras (1986), for example, argued that IT can enable innovations in service organizations in three fundamental ways. First, IT enables incremental process-oriented innovations

that cut costs of organizational operations, thus increasing service efficiency. Second, IT can help in radical process innovation in that it can lead to an increase in the quality of the services. Finally, IT can facilitate product innovation that leads to entirely new services (Gallouj, 1998). Barras (1986) concluded that, depending on an organization's strategy towards using IT to create a competitive advantage, the innovation occurs first as incremental, then radical, and finally as product/service innovation. More recently, Amit and Zott (2001) found that it is extremely difficult to protect innovations related to the use of the Internet, especially those related to online marketing activities, in that competitors can easily adopt and adapt website features to increase the value of their own website. Thus, it appears that organizations relying on the Internet as more than just a communication channel are constantly forced to engage in innovative behavior in their Web marketing programs. This research clearly indicates that innovation in Web marketing must be an ongoing activity including the implementation of new, as well as adjustments to already existing websites features.

Organizational Determinants of Innovation

Many studies have found that organizational factors are significant drivers of innovation (Gretzel & Fesenmaier, 2001a; Wang & Fesenmaier, 2006; Zaltman et al., 1973). Figure 1 presents a model based on these theories whereby it is proposed that a set of internal organizational resources (i.e., structure and leadership) together influence both the extent of Web marketing features implemented as well as their continuous adaptation (Gretzel and Fesenmaier 2001a; Yuan et al., 2006). It is also argued that continuous innovation

is a direct consequence of the extent of innovation adoption and of the organization's internal resources. Finally, it is hypothesized that both extent of innovation adoption and continuous innovation lead to Web marketing success. The following briefly discusses the role of each factor within the hypothesized model.

Organizational Structure

Organizational structure has been identified as the most important determinant for the adoption of innovation (Damanpour, 1991; Hage, 1999) as it provides the framework within which all operational processes take place. Bureau structure has often been defined by whether the CVB is an independent organization, is part of a city, county or regional government or belongs to a chamber of commerce or an economic development association (Ritchie & Crouch, 2000). Indeed, Yuan et al. (2006) argue that within the context of convention and visitor bureaus, organizational type defines strategy/tactics in using the Web to market the destination. In addition, size of organization has been identified as an important determinant of innovative behavior in that larger organizations possess more resources that can be allocated for innovation (Aiken & Hage, 1971; Damanpour, 1991). Both structure and size have been found to influence the technology readiness and capacity to change of tourism organizations (Gretzel & Fesenmaier, 2001a, 2001b). Indeed, recent studies by Wang and his colleagues (Wang, 2008b; Wang & Qualls, 2007) indicate that smaller DMOs lack sufficient resources to adopt new technologies or new processes. However, as suggested by Yuan et al. (2003), CVBs are organized around activities that focus on communication, which helps them mod-

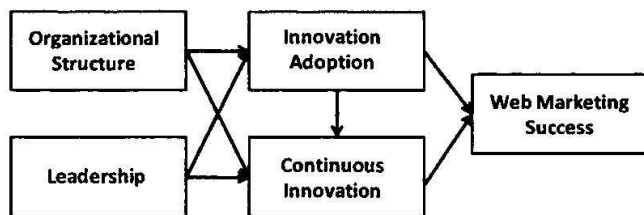


Figure 1. Proposed model of continuous innovation in Web marketing by CVBs.

ify and appropriate new technology so as to better fit their organizational goals. As such, CVBs create new organizational structures that encourage the development of new travel-related products and services. Thus, it is argued that the nature and size of a bureau establish an important framework that either fosters or constrains the adoption of innovative practices.

Leadership

Organizations are led by humans and their attributes and characteristics have been identified as a crucial determinant of the development of organizations (Foster & Kaplan, 2001). A large number of studies have documented the influence of decision makers (i.e., CEO, marketing manager, etc.) on organizations (Lefebvre, Mason, & Lefebvre, 1997; Porter, 1985). For example, Aranda and Molina-Fernández (2002) found that a leader's attitude towards the need to innovate significantly affects the amount of resources provided for innovation. Other research indicates that leadership is essential for the creation of an environment in which innovation can prosper (Cummings, 1965; Hage, 1981; Hage & Dewar, 1973; Pfeffer & Sutton, 1999). Studies in tourism confirm the role of the leader in setting the vision for the organization and establishing its competitive strategies (Wang 2008a, 2008b). Thus, following from this research, it is posited that an important responsibility of bureau leaders is to maintain an environment that encourages employees to innovate.

Innovation Adoption

Research has identified several different models describing the process of innovation adoption (e.g., Pierce & Delbecq, 1977; Zaltman et al., 1973). For example, Tornatzky and Fleischer (1990) proposed the Technology-Organization-Environment (TOE) model, arguing that the organizational context including firm size and formalization level, the nature of leadership, and the availability of financial resources determine to a large degree the ability of an organization to adopt new technology. Davis (1989) proposed the Technology Acceptance model (TAM), which focuses primarily on the attitudes and beliefs of the decision makers. The TAM has received extensive attention and has

been modified to fit a variety of circumstances related to the adoption of technology (Davis, 1989; Kim, 2009; Venkatesh, Morris, Davis, & Davis, 2003). Similarly, Innovation Diffusion Theory (IDT) as proposed by Rogers (2003) focuses attention on the decision whether or not to adopt a particular technology. He argues that an organization will adopt a new technology if the technology is "better" than existing systems and is relatively "easy" to apply (i.e., it is compatible with existing systems). Several studies have been conducted in tourism and confirm the strong linkage between the perceived usefulness, ease of use and the actual use of the technology (Kim, 2009; Park & Gretzel, 2007).

Continuous Innovation

Once an innovation is implemented into an organization the "new" will be subject to continuous change and adjustments in order to fit into the organizational setting. Indeed, research indicates that in order to understand the influence of IT on the organization IT has to be seen within the cultural and institutional context in which it is embedded (Lamb, Sawyer, & Kling, 2000). Pierce and Delbecq (1977), Damanpour (1991) and others (e.g., Hage, 1999) argued that innovation generally follows a three-step process: 1) initiation, whereby an idea occurs, the organization examines the potential opportunities and threats of the idea, and ultimately forms an attitude toward the idea; 2) adoption, which refers to the allocation of resources and a mandate towards use of the innovation within the organization; and 3) adjustment, whereby both the innovation and the organization adapt to the innovation in order to optimize the benefits of the innovation (DeSanctis & Poole, 1994). Within the context of tourism, Yuan et al. (2006) found similar results indicating that the process of adjustment is quite challenging for convention and visitor bureaus. Gretzel and Fesenmaier (2001a) and Yuan et al. (2006) identified three stages in the implementation of IT within destination marketing organizations: 1) the substitution phase where IT replaces so commonly used techniques (e.g., websites instead of flyers); 2) the enlargement phase, where organizations increase the benefit experienced from the use of IT; and 3)

the reconfiguration stage where the real benefits of investments in IT are realized. The results of this research indicate that organizations realize different advantages at each of the phases in the implementation of IT. Following this research, it is argued that the adoption of Web marketing technologies by convention and visitor bureaus must be considered an ongoing process of innovation and learning whereby the bureau and its Web marketing strategies evolve within the context of the capabilities of the bureau to learn and to adjust.

Web Marketing Success

CVBs are generally considered the primary marketing agent for a destination and bureau success is generally measured in terms of the responses to their marketing programs (Wöber & Fesenmaier, 2004; Wang & Fesenmaier, 2006). Gretzel et al. (2006), Yuan et al. (2003), and TIA (2006) found that CVB managers largely understand the importance of the Internet as it enables the bureau to reach further and market their destination to a broader audience. More recently, Wang (2008a, 2008b) found that consistent with previous studies American CVBs focus much of their effort on providing information to prospective visitors rather than supporting transactions or relationship building; additionally, this study indicates that financial commitment, competence, and the level of sophistication with technology use strongly determine the success of website in marketing the destination. Thus, following these studies, it is posited that the success as perceived by the bureau director (or marketing manager) is determined by various aspects of the organization, leadership and more directly by the innovative behavior of the organization.

Research Methods

The purpose of this study was to understand the process of adoption and innovation in the use of the Internet as a marketing channel by American convention and visitor bureaus. This goal was achieved first by identifying the nature and extent of adoption of various Web marketing features and activities by American CVBs; second, assessing the extent to which the bureaus maintain ongoing programs of innovation in their application of

Web marketing technologies; third, assessing the importance of organizational characteristics in determining the extent to which the bureaus have adopted various innovations and the extent to which they have integrated them into their Web marketing program; and finally, evaluating the perceived contribution of implemented website features and related activities to the overall success of the Web marketing programs. The main underlying assumptions of the study are that innovation is an "ongoing" activity rather than a "once in a while" activity, and, following Moorman and Roland (1999) and Wang and Fesenmaier (2006), that CVB directors/CEOs' perceptions are valid and effective measures and that self-report studies are useful in assessing how managers view their jobs.

In spring 2006, a nine-page, paper-based questionnaire, together with a cover letter soliciting participation in the survey, was sent to the CVB directors/CEOs of 597 randomly selected American CVBs out of an estimated total of approximately 1,800 CVBs in the US. Two follow-up mailings that included a cover letter and the questionnaire were sent 6 and 10 weeks after the initial mailing. In addition, 3 weeks after the initial contact, a reminder card was sent to nonrespondents. A total of 143 surveys were returned and an additional 43 surveys were returned undeliverable, resulting in a response rate of 26%.

The survey included questions regarding organizational resources and structures, including type of organization, the number of full time employees, budget, and target market(s). The core of the survey asked about the development and maintenance of a website, questions regarding the nature of implemented Web marketing programs, and questions about the success of these programs. Specifically, respondents were asked whether or not the bureau has a website, the year in which it was initially launched, and whether it had been changed since January 1, 2005. Next, following Rita (2000) and Wang and Fesenmaier (2006), the bureau directors/CEOs were asked to identify the features/capacities of their websites in terms of content, promotion, and e-Commerce; specifically, 25 items (yes/no) were used to measure use/implementation of website content features, 15 items (yes/no) were used to measure website promo-

tional activities, and 11 items (yes/no) were used to measure the range of e-Commerce activities implemented by the bureau.

Organizational structure was measured using four items. As discussed previously, the literature indicates that the size of organizations is an important determinant of innovative behavior (Aiken & Hage, 1971; Damanpour, 1991). As such, the size of the bureau was measured on three dimensions: 1) the annual budget; 2) the percentage of the annual budget dedicated for website-related activities; and 3) the number of full-time employees. A second dimension of organizational structure is given by the organization's type and was measured using a series of dummy variables indicating whether or not the CVB is an independent organization, part of a city, county or regional government, or it belongs to a chamber of commerce or an economic development association.

Leadership was measured by assessing the bureau manager's attitude toward Internet technology adoption and implementation. Attitude toward technology adoption has been identified as one's belief in the ability to perform a particular task that influences the adoption of technology (Hill, Smith, & Mann, 1987). Following Hill et al. (1987) leadership was measured using two items whereby the respondent was asked to rate (on a 7-point Likert-type scale) their support for and involvement in the use of technology in marketing the destination. Technological expertise was measured by asking the bureau manager to rate (using 7-point Likert-type scales) themselves and their employees' knowledge and skills with Internet technology; an additional question assessed the extent to which the bureau provides Internet-related training to the staff.

Innovation adoption and continuous innovation were measured for each of the three categories of website features/activities (content, promotion, and e-Commerce). Specifically, innovation adoption was measured for each category of the Web marketing program as the percent of features/activities implemented before January 1, 2005. Continuous innovation, on the other hand, was measured as the extent to which the activity/feature had been either implemented/adjusted/renovated since January 1, 2005. This date was chosen as the cutoff date to reflect recent innovation activities

by the bureaus as the study was conducted in spring 2006. Specifically, Likert-type measures were developed whereby a zero was given to those features/activities that had not been implemented or updated and a 5 identified those features/activities that had been completely renovated since January 1, 2005. These values were then summed up for each category, resulting in a range of 0–125 for the 25 content features, 0–75 for the 15 promotion features, and 0–55 for the 11 e-Commerce features. A rating of 4 or 5 suggested major recent changes since January 1, 2005. Finally, Web marketing success was measured as the bureau director's perceived success of the overall Web marketing program where 1 = "not at all successful" to 7 = "extremely successful."

Results

The results of the study are presented in the following sections. First, the results of descriptive analyses of selected organizational characteristics of the American CVBs are presented. Then, the results of the comparisons between the overall development of the Internet and the progression of website adoption by American CVBs are provided. Next, detailed results of the assessment of innovation by American CVBs are summarized for each of the three functional areas of Web marketing. Finally, the results of the overall modeling effort that examines the linkages between each component of the model described in Figure 1 are presented.

Characteristics of American CVBs

The basic organizational characteristics of the respective bureaus are presented in Table 1. As can be seen, about half of the CVBs in the sample operate at the county level (45.1%); approximately one third (39.4%) at the city level, and the remaining 15.5% represent tourism destinations at the regional level. Nearly half of the CVBs are independent organizations (46.1%) and 18.4% are a division of the chamber of commerce. The major markets for the CVBs are leisure travel, meetings/conventions, as well as festivals/special events. The majority of the CVBs (69.9%) are small organizations with fewer than 10 full-time employees. Over half (51.2%) of the bureaus have budgets of

Table 1
 Characteristics of American Convention
 and Visitor Bureaus

Characteristic	%
Level of operation	
County	45.1
City	39.4
Region	15.5
Type of CVB	
Independent organization	46.1
Division of the Chamber of Commerce	18.4
Part of city government	13.5
Part of county government	9.2
Other	7.9
Division of economic development	2.8
Part of state government	2.1
Most important markets	
Leisure travel	90.6
Meetings/conventions	67.4
Festivals/special events	59.3
Sports	57.0
Business travel	51.3
Other	17.3
Annual budget	
Less than \$100,000	11.4
\$100,001–\$250,000	17.9
\$250,001–\$500,000	22.9
\$500,001–\$750,000	7.1
\$750,001–\$1,000,000	7.9
\$1,000,001–\$2,000,000	15.0
\$2,000,001–\$3,000,000	3.6
\$3,000,001–\$5,000,000	7.1
\$5,000,001 and above	7.1
Full-time employees	
No full-time employees	0.7
1–9	69.2
10–19	18.2
20–49	9.1
50–99	1.4
100–199	0.7
200 and above	0.7

\$500,000 and less; about one fifth of the CVBs (22.9%) have an annual budget between \$250,001 and \$500,000; almost one third (32.8%) have budgets exceeding \$1 million. Last, in terms of use of the Internet as a marketing channel, it appears that all CVBs included in the study currently have some sort of online presence, either in the form of their own website or as part of a government or chamber site.

Website Adoption by American CVBs

Figure 2 describes the adoption rate of websites by American CVBs over the past 20 years. As can

be seen, only a few CVBs adopted websites soon after the Internet was introduced. Nearly one quarter (23.1%) of the CVBs established their online presence before 1995, while about half (53.1%) were online by 1998, and about three quarters (76.9%) by 2000. Figure 2 also shows a sharp increase in the numbers of websites by American CVBs as the use of Internet spread with the integration of Internet Explorer into the Windows '98 operating system. This coincides with a jump in the Internet usage by adult Americans from about 25% in 1995 to nearly 50% in 2000 (Pew, 2005). The adoption curve follows the s-shape curve proposed by Rogers (2003) and suggests that about a quarter of the CVBs are laggards in terms of website adoption.

In terms of innovation with respect to the overall website development, it was found that almost half of the bureau websites (48.3%) had received major adjustments since January 1, 2005; another 35.7% of the websites had experienced medium adjustments whereas minimal changes had occurred in only about 6% of the websites. The results of the analysis also indicate that about two thirds (69.6%) of the bureaus that launched early on (e.g., 1995–2000) have made major changes to their website since January 1, 2005. In addition, as one might expect, most of the websites launched before January 1, 2005 received major changes, whereas websites launched after this date have required only a moderate level of updating/system change. Last, it was found that a few bureau websites launched as early as 1995 had received only minor changes, suggesting that continuous innovation is not necessarily practiced by all CVBs.

Innovation in Web Marketing

The next set of analyses examined the extent and timing of innovation in each of the three functional areas identified for bureau websites: 1) website content features; 2) website promotional activities; and 3) website e-Commerce activities.

Website Content Features. Table 2 summarizes the results of a series of analyses focusing on the implementation of bureau website content features. As can be seen, the most frequently implemented website features are those related to infor-

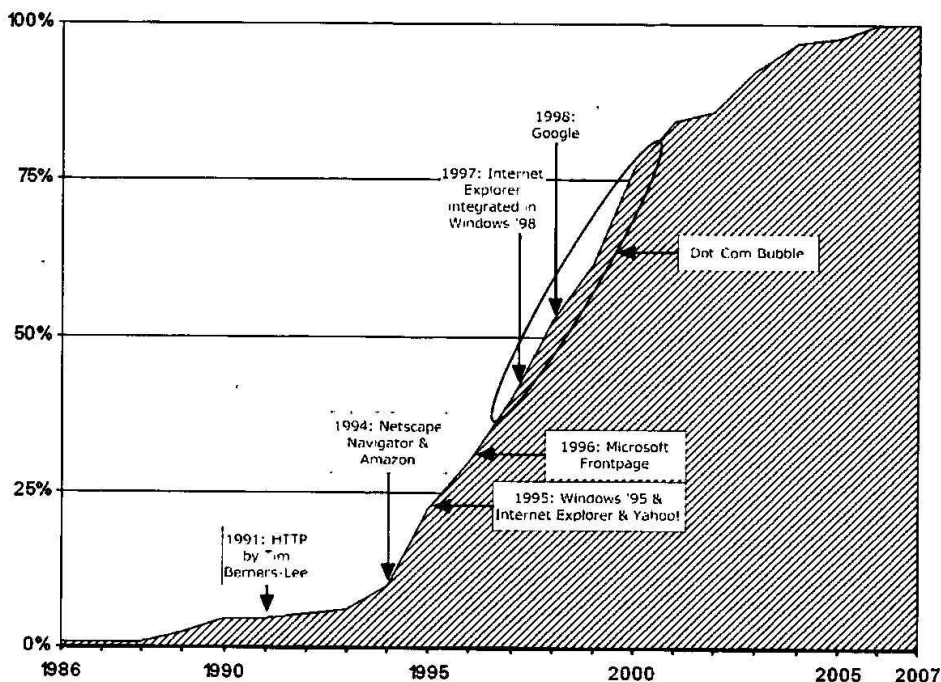


Figure 2. Website implementation by American convention and visitor bureaus.

mation provision and include activities/attraction information (97.2%), events calendar (95.0%), accommodation information (93.6%), links to area pages (92.2%), restaurant information (86.5%), shopping information (83.7%), maps/driving directions (75.2%), tour operator information (60.3%), downloadable brochures (57.4%), and email newsletters (51.1%). Interestingly, most bureaus implemented these features before January 1, 2005.

Substantial differences were found regarding the implementation of interactive website features. On-site search tools (49.6%) and trip planners (30.5%) are used by a considerable number of bureaus, while few bureaus have implemented virtual tours (20.6%), personalization capabilities (10.6%), and recommendation systems (9.9%). The same is true for features related to relationship management as email newsletters and e-cards were implemented by 51.1% and 22.7% of the CVBs, respectively, whereas online real-time help, virtual

community, and chat rooms were implemented by fewer than 5.0% of the CVBs. Rather low implementation rates were also found for features increasing the trustworthiness of the website such as secure transaction with SSL (19.9%), and Web seal certificate (8.5%). Finally, features with higher technical requirements were found to be among the least implemented ones; these include trip planner (30.5%), virtual tours (20.6%), games and entertainment (8.5%), and mobile phone capabilities (1.4%). This latter finding is consistent with previous studies indicating that only a small number of CVBs provides sophisticated Web features (Yuan et al., 2003, 2006; Wang & Fesenmaier, 2006). Interestingly, some bureaus that use more sophisticated website features such as virtual tours, personalization capability, search tools, and Web seal certificates implemented them before January 1, 2005. In general, analyses of more recent innovations (those added after January 1,

Table 2
Implementation of Website Content Features

Website Content Feature	Implementation			Major Recent Changes ^c
	Overall ^a	Before 01/01/05 ^b	Since 01/01/05 ^b	
Activity/attraction info	97.2%	95.6%	4.4%	48.9%
Event calendar	95.0%	90.8%	9.2%	58.2%
Accommodation info	93.6%	95.3%	4.7%	48.5%
Links to area pages	92.2%	91.7%	8.3%	36.2%
Restaurant information	86.5%	90.8%	9.2%	44.3%
Shopping information	83.7%	90.4%	9.6%	35.6%
Maps/driving directions	75.2%	87.0%	13.0%	45.3%
Tour operator information	60.3%	87.7%	12.3%	41.2%
Downloadable brochures	57.4%	60.0%	40.0%	55.6%
Email newsletter	51.1%	79.4%	20.6%	59.7%
On-site search tool	49.6%	87.1%	12.9%	44.3%
News	48.2%	90.2%	9.8%	39.7%
Privacy policy	42.6%	89.3%	10.7%	26.7%
Trip planner	30.5%	76.9%	23.1%	44.2%
E-cards	22.7%	81.5%	18.5%	43.8%
Virtual tours	20.6%	76.0%	24.0%	34.5%
SSL for secure transaction	19.9%	69.2%	30.8%	42.9%
Personalization capabilities	10.6%	76.9%	23.1%	60.0%
Recommendation system	9.9%	71.4%	28.6%	42.9%
Games and entertainment	8.5%	77.8%	22.2%	50.0%
Web seal certificate	8.5%	83.3%	16.7%	0.0%
Online real-time help	4.3%	57.1%	42.9%	33.3%
Virtual communities	3.5%	23.1%	76.9%	20.0%
Chat rooms	2.1%	20.0%	80.0%	0.0%
Mobile phone capability	1.4%	50.0%	50.0%	50.0%

^aPercent of bureaus in the sample.

^bPercent of bureaus who have implemented the feature.

^cPercent of bureaus who have implemented the feature and have made major changes to it since 01/01/05 (rated 4 or 5 on 0–5 Likert-like scale).

2005) indicate that the bureaus have focused their attention on adding features such as chat rooms (80.0% of the bureaus that implemented this feature did so after January 1, 2005), virtual communities (76.9%), mobile phone capabilities (50.0%), online real-time help (42.9%), and downloadable brochures (40.0%).

Many of the features were recently updated. At least half of the bureau directors indicated that they had implemented major changes since January 1, 2005 for the personalization capabilities of the website (60.0%), email newsletters (59.7%), event calendars (58.2%), downloadable brochures (55.6%), games and entertainment (50.0%), and mobile phone capability (50.0%). Website features that were not substantially updated since January 1, 2005 included Web seal certificates and chat rooms (both at 0.0%), as well as virtual communi-

ties (20.0%), privacy policy (26.7%), and online, real-time help (33.3%).

Website Promotion Activities. The results for website promotion activities are shown in Table 3. As can be seen, nearly every bureau includes its website address in print material (99.3%) and emails (88.1%). Bureau websites are also frequently promoted in traditional media such as magazines (90.9%), newspapers (86.7%), and radio (55.2%); however, TV (36.4%) and billboards (29.4%) are less frequently used. Listings in search engines are highly popular among CVBs; 76.2% of CVBs register with search engines, 75.5% develop keywords, and 52.2% provide metatags to optimize the website for search engines; however, only 17.5% of CVBs directly place ads in search engines. The use of "traditional" website promotion

techniques varies from email campaigns (50.3%) to banner ad exchanges (23.8%). Lastly, marketing through participation in virtual communities is the least used activity to promote websites (7.7%).

The majority of promotional website features/activities was implemented before January 1, 2005. Importantly, most bureaus made substantial changes in the extent and nature of their participation in virtual communities and the use of ads in search-engines since January 1, 2005 (72.7% and 60.0%, respectively). In addition, 9 out of the 15 promotional website features were substantially modified by at least 40.0% of the CVBs that use them; even traditional, well-established activities like including website addresses in print material (22.5%) received significant changes.

Website e-Commerce. Table 4 summarizes the results of the analyses assessing the extent of implementation of e-Commerce features/activities and, as can be seen, very few bureaus have been actively involved in e-Commerce. The most popular features (meeting planner material 55.2%, publications/reports 44.1%) focus on business-to-business relationships. e-Commerce offerings targeting consumers have only been realized by a limited number of bureaus; for example, special offers/

deals and online hotel booking have been implemented by 41.3% and 34.3% bureaus, respectively. The least frequently implemented features (attraction tickets, classifieds/banners, and event tickets) are, again, the most recently implemented features (38.5%, 35.7%, and 30.8%, respectively), suggesting that these e-Commerce applications are new innovations that have only been adopted by the innovators and early adopters among the bureaus. It also appears that many of the bureaus are trying to build strong relationships with the hotel industry by implementing hotel booking options, as 29.5% of the CVBs surveyed have implemented this feature since January 1, 2005. Importantly, all e-Commerce offerings that have been implemented have experienced major changes since January 1, 2005; specifically, hotel booking (53.1%), merchandising and attraction tickets (both 50.0%), and meeting planner material (49.4%) have been updated.

A Model of Innovation and Web Marketing Success

A series of multiple linear regression analyses were conducted to identify the factors affecting adoption, innovation, and Web marketing success.

Table 3
Implementation of Website Promotion Activities

Website Promotion Activity	Overall ^a	Implementation		Major Recent Changes ^c
		Before 01/01/05 ^b	Since 01/01/05 ^b	
Website address in print material	99.3%	94.8%	5.2%	22.5%
Promote website in magazine ads	90.9%	92.8%	7.2%	35.4%
Website address in email	88.1%	89.7%	10.3%	23.0%
Promote website in newspaper ads	86.7%	89.7%	10.3%	33.1%
Register with search engines	76.2%	83.5%	16.5%	42.2%
Keywords for search engines	75.5%	84.8%	15.2%	43.5%
Meta-tags for search engines	55.2%	84.2%	15.8%	49.4%
Promote website in radio ads	55.2%	83.3%	16.7%	35.4%
Direct marketing through email list	50.3%	82.5%	17.5%	44.4%
Incentive programs	36.4%	74.4%	25.6%	46.2%
Promote website in TV ads	36.4%	79.2%	20.8%	44.2%
Promote website on billboards	29.4%	81.1%	18.9%	35.7%
Banner ads exchange	23.8%	81.5%	18.5%	47.1%
Ads in search engines	17.5%	68.2%	31.8%	60.0%
Participate in virtual communities	7.7%	77.8%	22.2%	72.7%

^aPercent of bureaus in the sample.

^bPercent of bureaus who have implemented the feature.

^cPercent of bureaus who have implemented the feature and have made major changes to it since 01/01/05 (rated 4 or 5 on 0–5 Likert-like scale).

Table 4
Implementation of Website e-Commerce

Website e-Commerce	Implementation			Major Recent Changes ^c
	Overall ^a	Before 01/01/05 ^b	Since 01/01/05 ^b	
Meeting planner material	55.2%	78.6%	21.4%	49.4%
Publications/reports	44.1%	84.9%	15.1%	42.9%
Special offers/deals	41.3%	82.7%	17.3%	42.4%
Hotel booking	34.3%	70.5%	29.5%	53.1%
Coupons	23.8%	80.0%	20.0%	38.2%
Merchandising	18.2%	77.3%	22.7%	50.0%
Classifieds/banners	14.0%	64.3%	35.7%	45.0%
Event tickets	11.2%	69.2%	30.8%	37.5%
Attraction tickets	9.8%	61.5%	38.5%	50.0%
Restaurant reservations	0.0%	0.0%	0.0%	0.0%
Parking tickets	0.0%	0.0%	0.0%	0.0%

^aPercent of bureaus in the sample.

^bPercent of bureaus who have implemented the feature.

^cPercent of bureaus who have implemented the feature and have made major changes to it since 01/01/05 (rated 4 or 5 on 0–5 Likert-like scale).

In particular, this analysis followed a three-step process in deconstructing Figure 1 whereby it is hypothesized that aspects of organizational structure, leadership, and technology skills determine the extent to which the bureau adopts the various website features/activities for its Web marketing program. It is further hypothesized that these factors determine the extent to which the bureau continuously innovates aspects of the Web marketing program. Last, it is hypothesized that there is a positive correlation between level of adoption, innovation, and the overall success of the bureau. It is argued that multiple regression analysis is an appropriate tool (i.e., as opposed to structural equation modeling, etc.) as there are a limited number of observations ($N = 143$), thereby restricting the degrees of freedom; and the data take on a variety of different scales, which, in turn, substantially affects the structure (i.e., normality, etc.) of the variance-covariance matrix and further restricting the degrees of freedom (Kline, 2005).

Table 5 shows the results of the regression analyses where innovation adoption and continuous innovation are the dependent variables. Multiple regression analysis was first used to examine the relationships between organizational, technological, and leadership variables and the extent of adoption of the three components of Web marketing. As can be seen, employee training has a positive impact across all three models. Also, it ap-

pears that bureaus with large budgets (more than \$1,000,000) and a higher percentage allocation of the budget for IT (16% and above) have a significant ($p \leq 0.05$) and positive relationship in all innovation adoption models. Interestingly, CVBs with smaller budgets (below \$250,000) and a smaller IT budget allocation (10% and less) seem to limit the adoption/integration of new website features while CVBs with substantial financial backing are much more likely to have the internal capacity to actively promote their website. The results of the regression analysis also indicate that bureaus with more than \$1,000,000 are significantly ($p \leq 0.01$) more likely to have implemented website e-Commerce features. These findings are consistent with previous research indicating that financial resources are an important driver for the adoption of website features for CVBs (e.g., Buhalis, 2000, Yuan et al., 2003). Finally, leadership attitude towards IT was also found to be a significant driver for both website content and promotion features, indicating that bureau leaders provide essential support for website development and implementation. However, the lack of a significant relationship between leadership's IT attitude and website e-Commerce adoption seems to suggest the primary focus of the bureau websites is on information provision and marketing rather than e-Commerce.

A second multiple regression analysis incorpo-

rated innovation adoption as an independent variable (along with the other three sets of independent variables) in an effort to assess the factors affecting the extent to which the bureaus invest in a continuous program of Website innovation. As expected, innovation adoption was found to be the most significant driver for each of the three independent models of continuous innovation. This finding is not surprising as innovation adoption is a necessary condition to the investment in website development. However, it appears that few of the organization and leadership variables also contribute significantly to determine ongoing innovation

of the bureaus' Web marketing program. Specifically, the results indicate that those bureaus with IT budgets of 5% or less limit significantly ($p \leq 0.01$) their investment in continuous Web marketing innovation. However, it appears that bureaus with a budget of less than \$250,000 tend to invest in continuous improvement of website e-Commerce features; a possible explanation for this finding is that once implemented, smaller bureaus tend to improve those features in order to catch up with their bigger competitors.

Table 6 shows the results of the final regression analysis examining the relationship between the

Table 5
Multiple Regression Analyses for Innovation Adoption and Continuous Innovation

Independent Variables	Dependent Variables					
	Innovation Adoption			Continuous Innovation		
	Content	Promotion	e-Commerce	Content	Promotion	e-Commerce
Organizational structure						
Organization type						
Independent organization	n.s.	n.s.	n.s.	-0.11***	-0.12***	n.s.
Part of city government	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Part of county government	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Part of state government	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Chamber of Commerce	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Economic development	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Full-time employees	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Overall budget						
Under \$250,000	-0.24***	n.s.	n.s.	n.s.	n.s.	0.122***
\$250,001-\$750,000	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
\$750,001-\$1,000,000	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
More than \$1,000,000	n.s.	0.30*	0.396*	n.s.	n.s.	n.s.
IT budget (% of overall budget)						
Below 5%	-0.17***	n.s.	-0.353*	-0.127***	-0.182***	-0.159**
5%-10%	n.s.	n.s.	-0.274**	n.s.	n.s.	n.s.
11%-15%	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
16%-20%	n.s.	0.18***	n.s.	n.s.	n.s.	n.s.
More than 20%	n.s.	0.19***	n.s.	n.s.	n.s.	n.s.
Leadership						
Attitude towards IT	0.17***	0.23***	n.s.	0.11***	n.s.	n.s.
Professionalism	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Technology						
Employee skills	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Leader skills	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Employee training	0.17***	0.25***	0.23**	n.s.	n.s.	n.s.
Innovation adoption						
Content features	n/a	n/a	n/a	0.629*	n.s.	n.s.
Promotion features	n/a	n/a	n/a	n.s.	0.62*	n.s.
e-Commerce features	n/a	n/a	n/a	n.s.	n.s.	0.84*
Model R^2	0.22	0.32	0.46	0.50	0.47	0.71
F-value	9.6	12.4	28.7	34.0	40.4	114.0
p-Value	$p \leq 0.000$	$p \leq 0.000$	$p \leq 0.000$	$p \leq 0.000$	$p \leq 0.000$	$p \leq 0.000$

Beta coefficients are shown throughout.

* $p \leq 0.0$, ** $p \leq 0.001$, *** $p \leq 0.05$.

Table 6
Multiple Regression Model of Web Marketing Success

Independent Variables	Dependent Variable: Web Marketing Success
Innovation adoption	
Content features	n.s.
Promotion features	0.37*
e-Commerce features	n.s.
Continuous innovation	
Content features	0.18***
Promotion features	n.s.
e-Commerce features	n.s.
Model R^2	0.23
F-value	20.007
p-Value	$p \leq 0.000$

Beta coefficient are shown throughout.

* $p \leq 0.0$, ** $p \leq 0.001$, *** $p \leq 0.05$.

extent of innovation adoption and continuous innovation and the perceived success of the Web marketing program. As can be seen, marketing success is highly driven by the adoption of website promotion features and to a smaller extent by the continuous adaptation of website content features; the overall R^2 of this analysis is 0.23 and significant at the 0.01 level. This result seems to be consistent with the premise that the investment in the informational and marketing aspects of the website contributes substantially to its popularity, which, in turn, increases visitation to the destination. In addition, the results for the nonsignificant relationship between innovation adoption and continuous innovation seem to confirm the e-Commerce aspects of Web marketing.

Conclusions and Implications

The development of competitive advantage is one of the most important issues for tourism organizations. Research suggests that the achievement of competitive advantage is strongly linked to innovation by the organization. Within the context of tourism, the fast changing environment, fueled by the close relationship between tourism and information technology, accelerates the pace of innovation required by tourism organizations (Buhalis, 2000; Gretzel et al., 2006; Poon, 1993). Consequently, it is argued that destination marketing organizations such as American CVBs have to

continuously innovate with respect to their Web marketing strategy in order to stay competitive.

The primary goal of this study was to understand the nature and extent of innovation in Web marketing by American CVBs. An additional goal was to identify drivers of innovation and the relationship between innovation and Web marketing success. Overall, the study indicates that essentially every American CVB had established an online presence by 2005 and that they are constantly working to improve this online presence. However, there remains a small number of CVBs that limit their use of the Internet to posting a simple website. It appears that most innovation in bureau Web marketing programs occurs in those features that provide basic information on the destination, search engine optimization, and meeting planner material. Many of the features included in this category require continuous updating because of the nature of the information they represent (e.g., events calendar); thus, such updates can be assumed to represent very small, incremental innovation. These findings suggest that American CVBs use Web marketing as an enhanced brochure for information provision and promotion and is consistent with previous studies (Gretzel & Fesenmaier, 2001a; TIA, 2006; Wang & Fesenmaier, 2006; Yuan et al., 2003).

The results of the study also seem to indicate that the directors and marketing managers of American CVBs are aware of the importance of this continuous activity as many appear to be constantly making adjustments to their websites by implementing and updating website features. It appears, however, that the bureaus do not see the websites providing competitive advantage; that is, it can be argued that because many of the informational services are increasingly taken over by other online content providers, bureau websites that offer only information features can easily be replaced and thus provide little competitive advantage. Also, the results of the study indicate that e-Commerce offerings receive little attention. It has to be noted, though, that many CVBs have a mandate that prevents them from freely implementing e-Commerce activities, suggesting that the overall organizational environment and organizational characteristics play an important role in driving innovation.

Further, the results of the regression analyses indicate that innovation adoption is driven mainly by financial resources (overall CVB budget and percent allocation of the budgets towards Internet technologies) and the support of the CVB leadership (leadership attitude). Hence, CVBs with substantial financial support have the twofold advantage to invest in website development and train their employees to successfully exploit implemented features. Thus, while some bureaus are investing in enhanced Web features, the majority still provide only brochure-like sites. Following Gretzel and Fesenmaier (2001a, 2001b), it is, therefore, argued that it is vital that American CVBs must recognize that their organizational capabilities need to be developed much better in order to respond to the constantly changing environment through continuous innovation. With this said, it is suggested that future research in innovation and destination marketing should focus on better understanding those organizational factors that somehow limit the innovation process within tourism marketing organizations.

Biographical Notes

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