

COMPETITIVENESS AND POSITIONING IN TOURISM

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Abstract. *In the selection of a proper strategy of market positioning, key dimension for each tourist enterprise is related with a supply of direct and indirect competitors. In spite of that, it is necessary to consider the behaviour of tourist segments that prefer competitors' supply. That way, relative position for each dimension in the supply structure of the tourist enterprise competitors will be determined. Positive differences, which are present in that domain from the aspect of concrete tourist enterprise, open the space for the formulation of a new strategy of market positioning. The aim of this paper is to perceive conditional elements of the strategy of tourist enterprise and tourist destination market positioning.*

Key Words: *Positioning, strategy, tourism, value chain*

1. THE CONCEPT OF COMPETITIVENESS IN TOURISM

The market position of a tourist enterprise is a result of its overall perception and expertness of all relative tourist characteristics in the structure of selected segments. It is related with tourists' needs, requests and behaviour. Therefore, it is necessary to identify key dimensions of tourists and to perceive their perceptions and preferences related with the choice of a "package tours" in the market. Concrete supply is always consisted of the specific combination of assortments, prices, services, communication and tourist area.

The key of the effective tourist enterprise positioning is in the selection of the market segments whose specific needs are not completely fulfilled. That is considered as a basis for designing particular "package tours" of a tourist enterprise. However, to conduct the effective strategy of differentiation in tourism, the existence of five conditions is necessary:

1. only for non-dominant tourist enterprises in the market (in the conduction of the attractive strategies of positioning, they can have great benefit, and small loss);
 - the essence is to find out leader's weaknesses and to take over specific tourists from them, because leaders do not have to take particular position comparing to the weaker rivals, because, objectively, they are not able to improve the position if they follow the example of the weaker one.

2. perceiving favourable opportunities which exist in the market during the conduction of the positioning strategy;
 - real possibility for the realization of more effective position is necessary and therefore it is needed to project tourist consumption trends and relations in competitiveness domain;
3. precise perceiving of the relative position comparing to the competitors;
 - primarily consolidation of the way that tourists consider tourist products and services comparing to the competitors (what tourists prefer at competitors, and what they evaluate as their great weakness);
4. the existence of adequate structural elements of the operation of tourist enterprise;
 - appropriate staff, tourist objects location, assortment and its quality, as well as appropriate working capital.
5. effective communication with the market, as a necessary condition during the conduction of the positioning strategy;
 - the necessity of undertaking promotional campaigns directed towards desired market position, where the emphasis is on the presentation of the components which are effectively differentiated compared to the competitors.

Competitiveness represents the capability to offer highly perceived value in the market, thus neutralize permanently negative pressures of five competitive forces:

 - competitive treats
 - substitute treats
 - buyer negotiating strength
 - supplier negotiating strength
 - rivalry among competitors

In the contemporary concepts of tourist enterprise management, positioning strategy is particularly emphasized. Development of the positioning strategy has several interactive phases. In practice, the following six phases are usual¹:

1. determination of the needs and wishes of the selected market segments
2. analysing the benefits that enterprise offers compared to the competitors who are present at the same market segments
3. determination of the most and the least important benefits for the specific market segment
4. benefits research that are offered from the competitors and how the market segment responses to their overall supply
5. "package tours" adjustment to maximize the benefits use which are favourable for the specific market segment
6. promotion of the tourist enterprise "package tours" to create the image and understanding compared to the selected market segments

Compared to the classic approach of the strategic positioning (focus on the hotels, restaurants and other tourist objects and so called "the image of tourist objects"), there are obvious advantages of the contemporary approach to the positioning of tourist enterprises (positioning of the complete enterprise in the overall tourist infrastructure) in the defining of its effective business strategy.

¹ Nickels, W., Marketing Principles, Englewood Cliffs, Prentice-hall, 1978.

8. Privatisation of the public sector in tourism								
9. monetary proportion € - \$								
C. Market trends								
10. Trends in tourist demand								
11. Increased popularity of short holidays								
12. New international markets								
13. New competitive destinations								
14. changes in distribution system								
15. demand stagnation for traditional sun&sea products								
16. increased demand for special interests								
17. increased demand for professional trips								
D. Consumers								
D1. Escape from urban life								
18. Self-actualisation trips								
19. Self-identifying return								
20. return to the traditional values								
21. Socialization trips								
22. Holiday within the family								
23. increased demand for entertainment								
24. anti-stress trips								
D2. motivation change								
25. new experiences demand								
26. special interests								
27. cultural authenticity								
28. more activities during the trips								
29. ecologically aware								
30. adequate value for the money								
D3 Behaviour changes								
31. travels shorter and more frequent								
32. good educated and sophisticated								
D4 Other influential factors								
33. euro introduction								
34. new privatisation laws								

33. cooperation with regional tourist organizations								
34. education of the employees								
35. innovations								
36. flexibility and responsibility								
37. impact on the legality								
38. innovations								
39. flexibility and responsibility								
40. impact on the legality								

Source: Joradanovic M., Positioning as a competitive tourist destination strategy with emphasis on the hospitality, doctoral dissertation, Faculty of Natural Sciences, Novi Sad, 2008., p. 188-191

3. THE COMPETITIVENESS DIAMOND IN TOURISM

The national context has a key role in providing of the basic elements, which are needed for the success in the international markets. The essence of the competitive advantage, which is realized at global level by particular tourist destinations, is the result of stimulating conditions in the national surrounding. Porter identifies four groups of factors, characteristic for national surrounding, which impact the ability of tourist destinations to realize and keep competitive advantage in the international markets. Four major groups of the factors are:

- Conditions of factors (inputs)
- Conditions of demand
- Related and supporting industries
- Strategy, structure and rivalry among tourist companies and destinations.

As far as the conditions of the factors are concerned, two types of factors or resources are present: basic factors, which are related with tourist resources, and attractions, which include specialist knowledge and abilities, new technologies, communication structure and market infrastructure. While basic resources represent natural advantages under which the companies are able to progress, suprastructural resources are usually more important for the development of competitive advantage in the international market.

Conditions of the demand, which are related with the demand characteristics, its social-economic level, motivation, sophistication level, behaviour and habits and consumer protection level represent important motive for the development and improvement of the basic competitive advantage.

The third group of the elements of the competitive advantage include the existence of the related and supporting industries, which are competitive at the international level.

The mentioned group of factors is related with the trade facilities, travel agencies and tour operators, coordinator of the activities, food and drink structures, attractions etc, and it includes development level and relationships among local suppliers, producers whose development level is considered as a condition for supporting successful international position.

Strategy, structure and rivalry of the tourist companies are related with the conditions under which the companies are founded, organized and managed, and the character of the domestic competition as well. The existence of strong rivals in the domestic market is the key factor for the creation of the competitive advantage. Rivalry in the domestic space makes pressures directed to the continuous investment in the superstructure and innovation factors. This group of the factors is related with the size and the structure of the market and with the state of the accommodation facilities, the level of the competition among the companies, the level of their cooperation (interactive and with the public sector), the level of development of particular laws, the level of development of tourist activities etc.

Conditions of demand
Critical fields
Business ethics
Loyalty programmes
Consumer protection
Individual marketing
Conditions of factors
Critical fields
Research programmes
New technologies application
Approach to the financial resources
Qualitative human resources
Conditions of the related and supporting sectors
Critical fields
Efficiency of the public sector
Lack of bureaucracy
Qualitative infrastructure
Strategy, structure and rivalry of enterprises
Critical fields
Simply
Reduction of the outcoming barriers
Tax incentives for investments
Qualitative management
Benchmarking programmes
Lack of monopoly

4. DESTINATION AS A VALUE CHAIN

With the use of superior value for the consumers as a basis for the creation of the competitive advantage, it is necessary to understand the "value chain" of tourism, or in other words, to identify the subjects, i.e. the activities which are taking part in the creation or adding of the value that will resemble final supply of the particular destination (tourist destination). The destination is considered as a "chain", or in other words as a series of the related activities, which are needed to create and to supply the value in the market which is superior to the value supplied by the competitors.

The activities that create the value in a company (value chains) consist of nine categories², four supplementary (infrastructure, human resources, technology development and purchase) and five basic (internal logistics, accommodation facilities, services, external logistics, marketing and sale, selling privileges).

The value chain of each company and each supplier in tourist destination, represent the part of a greater activities chain, which is called "value system of tourist destination", including the chains of a numerous suppliers, distributors and clients. Important competitive advantages can be realized by the improvement of the connections among different value chains in or out of a tourist destination.

Partnership is a key factor that enables tourist destinations to improve the connections among value chain and to create new, different activities to realize competitive advantage.

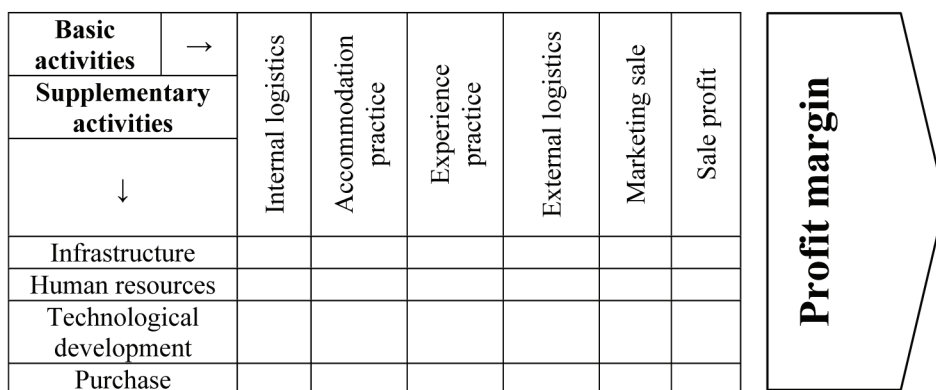


Illustration 1 The value chain of the production of tourist destination

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² Porter M., The Competitive Advantage of Nations, The Free Pres, New York, 1990, p. 33

KONKURENTNOST I POZICIONIRANJE U TURIZMU

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U izboru odgovarajuće strategije tržišnog pozicioniranja ključna dimenzija za svako turističko preduzeće odnosi se na ponudu direktnih i indirektnih konkurenata. Pri tome je bitno sagledati ponašanje segmenata turista koji preferiraju ponudu konkurenata. Tako će se utvrditi relativna pozicija svake dimenzije u strukturi ponude konkurenata turističkog preduzeća. Pozitivne razlike, koje u tom domenu postoje sa stanovišta konkretnog turističkog preduzeća, otvaraju prostor za formulisanje nove strategije tržišnog pozicioniranja. Cilj ovog rada je da se sagledaju osnovni elementi strategije tržišnog pozicioniranja turističkog preduzeća i turističke destinacije.

Ključne reči: *Pozicioniranje, strategija, turizam, lanac vrednosti.*