IN SEARCH FOR IMPROVED ORGANIZATIONAL PERFORMANCE AND MANAGERS’ EDUCATION

Strengthening Competitive Position: Strategic Orientation in Lithuanian Travel Trade Industry

Jurgita Sekliuckiene and Rimante Hopeniene

Kaunas University of Technology
Donelaicio 73, LT-44029 Kaunas, Lithuania

Abstract

Strategic orientation in the market becomes one of the most important aspects enabling companies to strive for a better result of activity. The end of mass tourism epoch, constantly changing needs of customers, integration of new technologies into business processes become constant challenges of tourism business, especially in the sector of travel trade. Only innovative organizations can survive in the dynamic business environment by developing business abilities and making strategic decisions, which would allow acquiring the competitive advantage in the context of new tourism tendencies.

The article presents a framework which shows how competitive position is strengthened. The framework was approved in Lithuanian travel trade companies. The results of the empirical research revealed the expression of the consolidation of strategic positions of Lithuanian travel trade companies when striving for the competitive advantage in the market. Theoretical insights and empirical applicability are beneficial for tourism business companies to improve strategic positions and support for similar tourism research all around the world.

Keywords: strategic orientation, competitive position, travel trade industry, tourism.

Introduction

Most organizations search for the best strategies in order to consolidate their position in the market. The reasons why firms succeed or fail are the principal area of enquiry of strategy orientation research (Athiyaman, 1995). Maintenance of competitive position and application of appropriate strategy most frequently ensure company’s survival in the market and good results of its performance. The research literature has analysed the constructs of 'strategic orientation', 'strategic position', 'competitive position', 'competitive strategy' for many years (Avci, Madanoglu and Okumus, 2011). The essence of strategic constructs is defined as company’s strategic direction and need to design new initiatives for a company (Okumus, 2001). The development of strategic constructs has led to a number of classification schemes that capture the essence of sets of consistent responses to various environmental events, investment strategies and competitive advantages (Garrigo’s-Simo’n, Marque’s and Narangajavana, 2005). When analysing companies’ strategic position and strategic orientation, the typology of strategic positions by Miles and Snow (1978), which is used in most research performed at different organizations and different economic sectors, can be considered the most popular one. This viewpoint is supported by Mintzberg, Ahlstrand and Lampel (1998). However, all these theoretic constructs analyse organization’s behaviour, its psychological profile that determines strategies of penetration into the market and the obtained result of the activity. According to Miles and Snow (1978), independent of what strategic orientation, of the firm is, it is important to identify how it strengthens its competitive position. The analysis on competitive strategies most often refers to the concept of generic competitive strategies by Porter (1985), the strategy clock model by Faulkner and Bowman (1995), in which possible alternatives of competitive strategies are distinguished. The elements of competitive position and its strengthening were analysed by Porter (1980, 1985), Teece, Pisano and Shuen (1997), Rijamampianina, Abratt and February (2003) and others.

In the research literature the topic of competitive position, strengthening of competitiveness is analysed both in industry and service sectors. These issues are especially relevant for one service sector that is the most dynamic and most sensitive for environment changes - tourism. It should be noted that most research and publications address the formation of tourism destination competitiveness (Buhalis, 2000; Hassan, 2002; Crouch and Ritchie, 2004), implementation of information and communication technologies and acquisition of competitive advantages by using the possibilities provided by e-business (Stamboulis and Skayannis, 2003; Gratzer and Winiwarter, 2003; Novelli, Schmitz and Spencer, 2006). The issues of the competitiveness of Lithuanian tourism sector were analysed by Petrilovskaja and Miskinis (2007), Zilinskas,
Ligeikiene and Petraviciene (2007), Rondonomaskaite and Virvilaite (2004), Navickas and Malakauskaitė (2009); however, more attention was paid to modelling the strategy and competitive factors of country’s tourism than to the formation of companies’ strategic positions. Despite the detailed theoretic studies of the factors of tourism destination or sector competitiveness, most studies do not evaluate the strategic orientation of tourism sector participants functioning at the tourism destination in order to acquire competitive advantage. It is necessary to point out that in the tourism destination multiplicity of tourism suppliers occurs. Travel trade companies are distinguished as the most active and the most important participants of the tourism business system (Font, Tapper and Cochrane, 2006; Trunfio, Petruzzeles and Nigro, 2006; Hopeniene, Railiene and Kazlauskiene, 2009). It should be mentioned that the role of these service providers is important not only as intermediaries. They stimulate the demand at travel goal destinations, form customers’ needs; make influence upon customers’ choice and strive for their satisfaction tourism destination (Tsaour, Yung and Lin, 2006; Trunfio, Petruzzeles and Nigro, 2006). In order to attain tourism destination competitiveness and its harmonious functioning, it is purposeful to evaluate the strategic alternatives chosen by travel trade services suppliers in creating value for a customer.

The model by Poon (1993) can be considered the most well-known and suitable for the analysis of strategic positions of companies in the tourism sector. The model stresses the strengthening of the strategic position of the companies functioning in tourism; however, it should be mentioned that the travel trade sector has not been a focus for study into the importance of companies’ competitive strategy. The methodological approach of this article refers to the model by Poon (1993) in order to answer the problematic questions formulated in this article.

The research analysis revealed that the travel trade companies, which influence the stimulation of destination demand, the research on the maintenance of competitive position in the long-term period were fragmented. There is a lack of such research in Lithuania. The travel trade is one of the largest subsectors of tourism in Lithuania by the number of enterprises. The recent two years of the economic recession disclosed strategic management problems of travel trade companies that influenced the bankruptcy of small as well as big players. This process has impacted customers’ distrust and influenced their behaviour and attitudes toward organizations. Thus the sustainability of competitive position of a travel trade company and its systemic strengthening remains a relevant but scarcely analysed research problem not only in Lithuania, but also in other countries. A better understanding and closer analysis of the problem can help improve the performance of travel trade businesses in developing countries. The research problem can be defined as the following question: how to strengthen the competitive position of a company by regarding different strategic orientations?

The aim of the article is to identify the possibilities of strengthening the strategic position in Lithuanian travel trade sector, drawing on the identified strategic orientations that contribute to maintaining a competitive position in the market.

The following research methods were employed: comparative and systematic analysis of research literature, quantitative research based on Lithuanian travel trade companies’ survey, were applied. The statistical causal – comparative data analysis was used for the analysis of the research data.

The first part of the article provides rationale for the suitability of Poon’s (1993) new tourism paradigm and main strategic orientations for the research of travel trade sector’s companies. The second part of the article provides rationale for the research methodology. The third part presents the research results, their analysis and discussion.

Poon’s model of strategic position strengthening for tourism sector firms

Poon (1993), who emphasized the paradigm of new tourism, analysed competitive realia in the tourism sector. The essence of the paradigm of new tourism is identification of a ‘new’ tourist, who is characterised as experienced, sophisticated and very demanding. The development of information technologies influences tourists’ behavioural changes; thus individualised offers become attractive for them. Firms have to be especially flexible if they wish to meet tourist’s needs, they have to implement new competitive strategies both for tourism destination and to consolidate their own position in the local market.

Poon (1993) confirms the paradigm of new tourism by the following statements: 1) comparative advantages are no longer natural; 2) tourism is a volatile, sensitive and fiercely competitive industry; 3) the industry is undergoing rapid and radical transformation – the rules of the game are changing for everyone; 4) what is at stake is not just tourism but the survival of tourism-dependent economies; 5) the future development and viability of tourism-dependent economies will depend not only on tourism, but on the entire service sector (Crouch and Ritchie, 2004). The paradigm of new tourism enhances challenges when tourism sector participants intend to maintain their competitive position not only in local but also in international market. Developed countries, which have a clear strategy of country’s tourism, are proactive towards economic, social and demographic changes. They choose the best combinations of strategies, create innovative tourism products in order to compete with similar tourism destinations. In the meantime, ‘late-comer’ countries most frequently do not have a solid long-term tourism strategy, participants of country’s tourism sector act chaotically most frequently are reactive towards environment changes. This determines the loss of competitive positions. Desperate attempts to consolidate competitive positions without intended clear strategic guidelines most frequently end in failure.

According to Fitzroy and Hulbert (2005), when organization’s competitive position is created, it is necessary to evaluate a lot of decisions related to essential
In her paradigm of new tourism, Poon (1993) paid great attention to strategic approach for tourism on the concept of flexible specialisation of the tourism business. According to the author, the companies functioning in the tourism sector could consolidate their strategic position by referring to four principles: flexibility, segmentation, diagonal integration (created by new information and communication technologies) and the evolution of tourism as a total system of wealth creation. By emphasising flexibility, the main service companies’ resources lie in the organisation, management, marketing, distribution and other firms of interaction and interrelationships among tourism industry actors. It is important how they are coupled to create competitive advantage and, hence, capabilities to move with the market (Buhalis, 2000). According to the author, the paradigm of new tourism by Poon (1993) is timely, which predicted the impact of information technology on decision-making and customer behaviour. It should be noted that specific individualised needs of customers and their change, new technologies and innovations by necessity change the purpose of travel trade companies in tourism industry. The paradigm of new tourism leads to the process of disintermediation and contributes to tourism industry restructuring and innovation (Gratzer and Winiwarter, 2003).

Referring to the Poon’s (1993) logic of strategic position strengthening, the authors of the article present the framework of competitive position strengthening, which can be applied for the coordination of strategic orientations of the tourism sector in striving for competitive advantage (Figure 1).

When strengthening tourism companies’ strategic positions in the market, it is necessary to consider every possible strategic alternative. 

**Customer-orientatedness** determines that new tourism is more and more based on individualization. Travel companies, wishing to please a sophisticated customer who is able to distinguish quality and has a variety of choice, have to constantly strive for service quality. Thus in different countries, where tourism is developed or only being developed it is pursued to meet the needs of the vacations and free time of sophisticated tourists requiring new senses, new services and attraction objects (aquaparks, tricky routes in deserts, swamps, mountains, specific hotels).

This change is conditioned by new technological possibilities as well. With reference to modern management, any product (as well as tourism) must satisfy individual needs of a customer. New paradigms of marketing, for example relationship marketing, cause discussions, especially about the criteria for customer segmentation. Traditionally defining markets, specialists of tourism marketing use demographic and geographic criteria; however, in order to attract and maintain a customer it is necessary to segment according to psychographic and behavioural criteria that encompass specific needs, motives, intentions and expectations of a customer. These criteria are ones of the most important in segmenting tourists and positioning tourism products as well as formulating companies’ strategies. The increasing level of society’s education, the possibilities of using communication means provide more qualitative information and understanding about tourism destinations and offered tourism products. This determines that tourism becomes more independent activity of each tourist subject.

The companies functioning in tourism industry have to constantly strive for service quality when creating the value for a customer; thus **orientation to quality** becomes inseparable drive of activity progress. It should be noted that this strategic alternative requires evaluating the
potential of human resources in order to enable them to create new diversified sophisticated tourism products by finding new tourism resources at different destinations favourable for tourism. This requires qualitative products of large variety intending not only to satisfy but also to influence the formation of new customers’ needs. Thus, experience-based (for example, eco-tourism, adventure tourism), sustainable tourism, heritage/cultural tourism are ones of the possible directions to be developed, which are referred to as sources of innovative tourism products. Increasing understanding of customers about environment changes stimulate tourism business to take innovative decisions and to improve tourism firms’ possibilities in strengthening their competitive position in the market.

The importance of technology and innovation development is related to the above-mentioned strategic alternatives. The evolution of the literature on competitiveness has shown the relevance of technology, innovation and innovation capabilities as the main factors in explaining the sustainability of the competitive position of firms (Gua, Prats and Comas, 2006). According to Gratzer and Winiewarter (2003), tourism should be treated as information-intensive industry. It should be noted that information is one of the most important quality parameters for tourism as service industry in order to create and offer tourism products for the market. Information-communication technologies help to transform the value chain and to develop collaboration relations among tourism industry participants. It is necessary to state that the effectiveness of inter-organizational relations of tourism industry participants is conditioned by the adaptation of modern information and communication technologies in tourism. This is conditioned by the distribution of tourism globally. The basis of diagonal integration is ICT, which helps to integrate participants of tourism business system (Hopiene, Railiene and Kazlauskiene, 2009).

Drawing on the decomposition of the framework presented in Figure 1, it may be noted that each of strategic alternatives will strengthen the competitive position of a tourism company in the market; however, only due to their synergy the best result of the activity will be achieved. It should be noted that a constant feedback is necessary because after having strengthened the competitive position it will be possible to maintain it only by constant review and strengthening each of strategic orientations.

Methodology

The research aims to reveal what actions travel trade companies undertake in Lithuania when they wish to strengthen their competitive position. The research is grounded on the Poon’s (1993) strategic approach for tourism based on competitive strategies for new tourism concept and the theoretical framework based on it. In order to generate the desired empirical data, a survey was constructed. Referring to distinguished alternatives (customer orientation, quality orientation, technology and innovation) and the criteria elaborating them, a questionnaire was developed. The criteria are elaborated in 83 statements, which were measured using four-point Likert-type scale ranging from highly disagree (1 point) to highly agree (4 points). The research sample was arranged by referring to the data of the Department of Statistics of the Republic of Lithuania. In 2009 in Lithuania there were 301 travel trade companies (Tourism in Lithuania, 2010). The largest concentration of travel trade companies is in the counties of Vilnius, Kaunas and Klaipeda. It should be noted that in smaller towns of Lithuania travel trade companies often are branches of main tour operators and travel agencies; thus in order to achieve the representative results of the research, the managers of the companies functioning in Vilnius, Kaunas and Klaipeda counties participated in the research.

Referring to the Paniott formula, the number of the respondents that should be interviewed was calculated. In order to achieve representative results of the research the number of the respondents is 171. In the research 98 travel trade sector participants (out of which 53 tour operators and 45 travel agencies) took part. The return rate of the questionnaire from the entire research sample made 57.3 per cent. The sample data, which make 33 per cent from all the travel trade companies, functioning in Lithuania, were used for the calculation. The method of causal – comparative analysis was used for the analysis of the research results. The survey instrument was distributed to the managers of Lithuanian travel trade companies. The data were processed by means of the SPSS programme.

In order to disclose the research results, estimation points and the deviation from the average (the standardized deviate) were calculated, the Rotated Component Matrix factorial analysis was performed.

Results

Referring to the presented methodology of the research design, the results of the empirical research are elaborated. When analysing the criteria disclosing Customer orientation, it was identified that travel trade companies pay great attention to the evaluation of individual customers’ expectations (the total average value of the criteria 3.3) and the development of relations with them (the total average value of the criteria 3.41). However, the results of the empirical research show that the meeting of customers’ needs (the total average value of the criteria 2.84) and market segmentation (the total average value 2.88) is the weakest link of the activity of the surveyed firms (Table 1).

The respondents state that they pay great attention to meeting individual needs of customers; however, they do not pay attention to their segmentation. This shows that they have not sufficient understanding about the technique of knowing their customers, and this decreases their competitiveness. Wishing to survive, travel trade firms have to ensure that the services would be oriented to a particular customer, to react to the need of specialized services and be able to correspond to the requirements formulated by the customers who understand more about travel. It should be mentioned that in improving communication with customers as well as the quality of
rendered services, it is important to carry out the analysis of customers, the positioning of own services in order to identify own advantages in the market and to strengthen own strategic resources.

When analysing the results of the criteria defining **Quality orientation** strategic orientation, it was determined that the respondents representing travel trade companies relate the strengthening of firm’s competitive position to providing qualitative services because it is one of the most important conditions for a competitive advantage (Table 2).

### Table 1

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Indicators</th>
<th>Average</th>
<th>Deviation from the average</th>
<th>Total average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual expectation evaluation</td>
<td>Flexibility in respect of customers’ needs</td>
<td>3.31</td>
<td>0.062</td>
<td>3.3±0.0636</td>
</tr>
<tr>
<td></td>
<td>Meeting special needs of customers</td>
<td>3.20</td>
<td>0.069</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Knowledge on customers’ expectations</td>
<td>3.39</td>
<td>0.060</td>
<td></td>
</tr>
<tr>
<td>Customer needs satisfaction</td>
<td>Formation of customers’ needs</td>
<td>2.77</td>
<td>0.080</td>
<td>2.84±0.0735</td>
</tr>
<tr>
<td></td>
<td>Constant reformation of services’ nomenclature</td>
<td>2.91</td>
<td>0.067</td>
<td></td>
</tr>
<tr>
<td>Market segmentation</td>
<td>Customers’ segmentation</td>
<td>2.99</td>
<td>0.087</td>
<td>2.88±0.087</td>
</tr>
<tr>
<td></td>
<td>Constant performance of market research</td>
<td>2.76</td>
<td>0.087</td>
<td></td>
</tr>
<tr>
<td>Customer relationships development</td>
<td>Development of customers’ trust in the firm</td>
<td>3.58</td>
<td>0.059</td>
<td>3.41±0.059</td>
</tr>
<tr>
<td></td>
<td>Search for methods and ways for attracting customers</td>
<td>3.31</td>
<td>0.066</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Constant evaluation of service rendering mistakes</td>
<td>3.40</td>
<td>0.054</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ensuring feedback with customers</td>
<td>3.36</td>
<td>0.057</td>
<td></td>
</tr>
</tbody>
</table>

### Table 2

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Indicators</th>
<th>Average</th>
<th>Deviation from the average</th>
<th>Total average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resources management</td>
<td>Attraction and maintenance of competitive employees</td>
<td>3.27</td>
<td>0.084</td>
<td>3.20±0.0830</td>
</tr>
<tr>
<td></td>
<td>Development of personnel’s systematic learning and creation of improvement conditions</td>
<td>3.18</td>
<td>0.073</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase of employees’ motivation</td>
<td>3.02</td>
<td>0.088</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Creation of positive organizational climate</td>
<td>3.33</td>
<td>0.087</td>
<td></td>
</tr>
<tr>
<td>Service process improvement</td>
<td>Creation and observance of firm’s activity standards</td>
<td>3.53</td>
<td>0.051</td>
<td>3.57±0.0535</td>
</tr>
<tr>
<td></td>
<td>Stimulation of contact and support personnel collaboration</td>
<td>3.52</td>
<td>0.051</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Identification of service rendering process mistakes and foresight of their elimination means</td>
<td>3.36</td>
<td>0.054</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improvement of external and internal communication</td>
<td>3.51</td>
<td>0.062</td>
<td>3.36±0.0693</td>
</tr>
<tr>
<td>Product development</td>
<td>Formation of new services and travel routes</td>
<td>3.16</td>
<td>0.085</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Search for innovative products and their adaptation</td>
<td>3.21</td>
<td>0.068</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product development by using IT</td>
<td>3.54</td>
<td>0.062</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Use and coordination of service distribution channels</td>
<td>3.51</td>
<td>0.062</td>
<td></td>
</tr>
</tbody>
</table>
According to the managers of the surveyed travel trade companies, the service quality very much depends on personnel’s competence and common approach to the standards of service quality development. The human resource management involving the selection and maintenance of competitive employees by creating positive organizational climate, offering possibilities for employees’ development, increasing their motivation to work was evaluated by the respondents by 3.2 points out of four possible. Even though this is, in comparison, a high average value, comparing the average values of three criteria defining quality orientation as strategic orientation in strengthening firm’s competitiveness is the lowest (Table 1).

This means that the surveyed travel trade firms only declare that they strengthen employees’ potential in order to render qualitative services. The evaluation of indicators of human resources management discloses that the managers of the surveyed travel trade firms pay greater attention to the search and selection of competitive employees as well as creation of positive organizational climate; however, they do not invest enough into the development of employees’ systematic learning and ensuring of their improvement conditions. It may be noted that the managers of the surveyed travel trade firms undervalue the fact that in order to achieve a good result of performance as well as to ensure a competitive position, it is necessary to continuously develop the competence of firm’s personnel; this helps to ensure a smooth process of service rendering. This opinion is partly confirmed by the Study of the tourism sector (2008), which asserts that the travel trade sector lacks the specialists possessing practice and general abilities: of foreign languages, communication with customers and work with IT, as well as service culture. In addition, the researchers of the tourism sector disclose another relevant problem in the tourism sector. It is the lack of motivation to come to work. Our research shows that the managers of the surveyed travel trade firms do not pay sufficient attention to increase the employees’ motivation (the average value of the indicator is 3.02).

The improvement of external and internal communication is indicated by the respondents as one of the most important indicators in improving the process of providing service (the average value of the indicator is 3.68). Once more this confirms that the firms striving for the strengthening of their competitive position pay great attention to maintenance and strengthening of the relationship with customers. It should be pointed out that a customer evaluates the service quality by considering such criteria as personnel reliability, fast reaction to expectations, flexibility, competence, expedient solving of the emerging problems in service provision. The results of the empirical research disclosed that the managers of the surveyed travel trade companies paid their attention to constant improvement of the processes of service rendering (the total average value of the criteria is 3.57). Referring to the logic of the research on service quality, most frequently companies face the failure because they assume that the standards of service quality and rendering created by them coincide with the customers’ criteria and standards of service quality. However, referring to the paradigm of service quality, first of all it is necessary to survey customers and reveal their criteria of service quality evaluation, which can become the standards of firm’s service quality. However, the surveyed respondents indicate that not great attention is paid to the constant research of the market (the value of the indicator is 2.76, Table 1).

In the sector of travel trade the development of firms very much depends on employees’ abilities to attract new tourists as well as to come back to the ones who already visited the place. In order to strengthen the competitive position and to grow fast, it is necessary to sufficiently and properly invest into personnel. The companies functioning in the sector of travel trade most frequently depend on the category of small and middle firms. It should be noted that small and middle firms have limited financial resources to give their employees the possibilities to refresh their qualification. Thus the managers of travel trade firms have to decide how they create favourable conditions and possibilities for their employees to develop and learn by increasing their employees’ motivation not only by using financial means.

In the development of products, it is important to create not only new products but also to creatively use the modern technologies due to which it is possible to improve service rendering and their quality. The formation of new travel routes is influenced not only by the generation and application of innovative ideas (the average value of the indicator 3.21 points), but also the ability to use different channels of service sell (the average value of the indicators 3.51 points) (Table 2).

Drawing on the analysis of Technology and innovation strategic orientation criteria, it was identified that the managers of travel organization firms understand the importance of technologies (Table 3).

During the empirical research it was determined that modern technologies are used by almost 70 per cent of the travel trade respondents and the rest planned to do this in the nearest future. It should be noted that most frequently the companies functioning in the travel trade sector used computer reservation systems (most frequently Amadeus, less – Galileo, Sabre and others), hotel reservation systems (HDS), implement different IT solutions in order to facilitate inter-organizational processes of collaboration and communication with customers and partners.

In evaluating the experience of the application technology and innovation strategic orientation in the companies of the travel trade sector, it is possible to note that ICT is widely used (the average value of the criterion 3.47). Despite this, continuous learning in creating innovation basis (the average value of the criterion is 2.6) is conditioned by generation and adaptation of ideas (the average value of the criterion is 2.97), referring to the empirical research results, is developed rather weakly (Table 3).

Referring to the analysis of the research results it has been identified that most travel trade companies that took part in the research, though performed the search for new ideas and tolerated creative initiatives within the firm,

seldom created the conditions for the implementation of new ideas (the average value of the indicator is 2.59), as well as paid not sufficient attention to the personnel’s readiness to take innovations (the average value of the indicator is 2.71). It may be noted that one of the premises for weak innovative activity is not sufficiently active partnership development and participation in international or local tourism networks (the average value of the indicator is 2.64).

Table 3

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Indicators</th>
<th>Average</th>
<th>Deviation from the average</th>
<th>Total average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generation and adaptation of ideas</strong></td>
<td>Search for new ideas</td>
<td>3.46</td>
<td>0.073</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Creation of conditions for implementing innovative ideas</td>
<td>2.59</td>
<td>0.082</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tolerance of creative, non-traditional ideas</td>
<td>3.19</td>
<td>0.082</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preparation of personnel for innovation implementation</td>
<td>2.71</td>
<td>0.087</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inventory of innovations in the market</td>
<td>2.88</td>
<td>0.087</td>
<td></td>
</tr>
<tr>
<td><strong>Creating innovation through learning</strong></td>
<td>Use of research results</td>
<td>2.10</td>
<td>0.095</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Integration of alternative tourism products into the supply of firm’s services</td>
<td>2.41</td>
<td>0.088</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Implementation of information technologies</td>
<td>3.21</td>
<td>0.085</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Analysis and application of competitors’ good will</td>
<td>2.28</td>
<td>0.079</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Analysis of successful and unsuccessful examples of the implemented innovations</td>
<td>3.01</td>
<td>0.073</td>
<td></td>
</tr>
<tr>
<td><strong>Partnership and networking</strong></td>
<td>Partnership relations are based on diagonal integration</td>
<td>3.09</td>
<td>0.074</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partnership relations with competitors are based on contracts to perform particular works</td>
<td>3.04</td>
<td>0.099</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Partnership is based on outsourcing fundamentals</td>
<td>2.38</td>
<td>0.085</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Active participation in the activity of international tourism networks</td>
<td>2.68</td>
<td>0.078</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Collaboration based on corporate capital</td>
<td>2.01</td>
<td>0.104</td>
<td></td>
</tr>
<tr>
<td><strong>Using of ICT</strong></td>
<td>Creation of internal information system (intranet) among the members of own firm’s network members</td>
<td>3.52</td>
<td>0.062</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Use of information systems, contributing to communication with other independent firms</td>
<td>3.30</td>
<td>0.074</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Use of computer reservation system</td>
<td>3.60</td>
<td>0.079</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Use of the management system of relations with customers</td>
<td>3.26</td>
<td>0.073</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Use of information systems for performing activity functions</td>
<td>3.66</td>
<td>0.078</td>
<td></td>
</tr>
</tbody>
</table>

Table 4

The results of the factor analysis

<table>
<thead>
<tr>
<th>Criteria grounding strategic orientation</th>
<th>Technology &amp; Innovation</th>
<th>Quality orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual needs satisfaction</td>
<td>.344</td>
<td>.793</td>
</tr>
<tr>
<td>Value creation for customer</td>
<td>.790</td>
<td>.284</td>
</tr>
<tr>
<td>Market segmentation</td>
<td>.682</td>
<td>.138</td>
</tr>
<tr>
<td>Relationships development</td>
<td>.653</td>
<td>.182</td>
</tr>
<tr>
<td>Human resources management</td>
<td>.746</td>
<td>.359</td>
</tr>
<tr>
<td>Service process improvement</td>
<td>.227</td>
<td>.765</td>
</tr>
<tr>
<td>Product development</td>
<td>-.155</td>
<td>.764</td>
</tr>
<tr>
<td>Generation and adaptation of ideas</td>
<td>.861</td>
<td>0.027</td>
</tr>
<tr>
<td>Creating innovation through learning</td>
<td>.729</td>
<td>0.021</td>
</tr>
<tr>
<td>Partnership and networking</td>
<td>.221</td>
<td>0.080</td>
</tr>
<tr>
<td>Using of ICT</td>
<td>.129</td>
<td>.699</td>
</tr>
</tbody>
</table>
It should be noted that weak participation in networks also
determines a limited takeover of information, ideas and
good experience from the participants functioning in the
tourism market (the average value of the criterion is 2.28),
academic institutions (the average value of the criterion is
2.1). Drawing on the analysis of strategic orientations
according to the designed framework (Figure 1) and the
factor analysis of Rotated Component Matrix, the
following strategic alternatives chosen by the firms were
identified: technology and innovation as well as quality
orientation (Table 4).

The coefficient values determine the strength and
inter-correlation of the factors. The coefficient value
between 0,7 and 1 shows strong correlation coherence
between factors (technology & innovation and quality
orientation) and their criteria. The comparative analysis of
strategic orientations (quality orientation, customer
orientation and technology and innovation) has shown that
the interviewed companies functioning in the travel trade
sector and considering the alternative of customer
orientation did not distinguish during the research. The
results of the factor analysis show that the surveyed travel
trade companies when striving for their competitive
advantage are inclined to develop innovations and orient to
ensuring service quality.

The analysis of the research results revealed that the
surveyed technologies and innovations implemented by
travel trade companies were aimed to maintain relations
with customers, to create value added in order to meet the
needs of different segments of customers. Despite the high
level of ICT adaptation and application at travel trade
companies, it is not sufficiently used for service process
improvement and product development.

Conclusions and discussion

Having identified the typologies of competitive
position, competitive strategies as well as strategic
orientations most frequently analysed by theoreticians and
practitioners, one may note that the strategic model of
tourism by Poon’s (1993) is the most suitable to analyse
the tourism sector, the determinants of which are explained
in the context of new tourism paradigm. In the theoretical
framework for strengthening of competitive position of
tourism industry companies the following strategic
orientations are distinguished: customer orientation,
quality orientation and technology and innovation, the
coherence in order to strengthen a strategic position. In
order to achieve a competitive advantage, companies have
to strengthen all activities of the value chain, especially
those that are oriented to human resources, technologies,
development of a product, the process of providing service,
etc. These activities strengthen each of strategic
orientations. By coordinating, integrating and constantly
reviewing different parameters of each of strategic
orientations, it is possible to create the value for a
customer, as well as to strengthen a competitive position in
the market.

The results of the empirical research in the travel trade
sector carried out on the basis of the theoretical framework
showed that Lithuanian travel trade companies striving to
keep their competitive position were mostly oriented to
quality improvement (especially the improvement of the
process of providing service, search for products as well as
their development in forming new travel routes by using
different channels of service sales) as well as the
application of technology and innovation (especially ICT
application - reservation systems, CRM systems,
information systems, as well as creation of innovations and
search for them in the market). The research results show
that travel trade companies are indisposed to create
conditions for closer inter-collaboration of the firms. One
of the main drawbacks of travel trade firms in
strengthening their competitive position is the lack of a
holistic approach to the creation of the value added for a
customer, especially in identifying different segments of
customers and understanding their individual needs. It
should be noted that in order to maintain and strengthen
their positions in local and international markets, it is
necessary to coordinate the elements of different strategic
orientations, to strengthen them because only then the
synergy effect is achieved.

The weakest strategic orientations criteria of
Lithuanian travel trade companies are customers’ needs
satisfaction and market segmentation (orientation to
customers); creation innovation through learning,
generation and adaptation of ideas, partnership and
networking (orientation to technology and innovation
development). Referring to the empirical research, it is
possible to foresee the following possibilities for the
strengthening of the competitive position of companies in
Lithuanian travel trade sector:

- Customer needs satisfaction. Travel trade companies
will strengthen their competitive position by forming
strong coherences between creating market needs for
new tourism services as well as permanently
maintained and strengthened resources already
possessed by the firm (e.g., reputation, intelligence,
financial assets, managerial skills, etc.). Using their
strengths, companies may not be afraid to offer
typical suggestions for a customer; in this way they
may revise the portfolio of their products. They have
to be able to form new needs of customers, which
could emerge in the nearest future. The acquaintance
of customers with new experiences, consumption of
available products and services could be stimulated by
applying the methods of entrepreneur marketing.

- Application of market segmentation practice. Dynamic
changes of the environment, permeability of
informational technologies that have induced radical
changes of mass tourism revealed the need of
customers for alternative or special interest tourism
products as well as the need for unique products. Thus
travel trade companies should re-orient themselves
from the satisfaction of mass customer’s needs to the
satisfaction of individual needs. So in order to
distinguish themselves, some companies should
systematically carry out research on customers’ needs,
specialize and orient to market niches.
• Creating innovation through learning. This is related to a more active takeover of foreign travel trade companies’ experience as well as collaboration with academic institutions, ability to apply the latest empirical research results. The most recent research insights would help travel trade companies to find out about popular alternative tourism products in other countries; this would empower them not only to perform an analysis of good experience but also to create the base of new products and innovations by referring to the good practice.

• Creation of conditions for the implementation of innovative ideas. Most travel trade companies are small, thus they lack financial, human and time resources to implement innovative ideas which is a prerequisite for the acquisition of a competitive advantage. Managers of travel trade companies should empower their personnel not to be afraid of being creative and innovative; induce continuous learning and self-realization. The implementation of new ideas when financial resources are missing is possible through cooperation with other larger participants of the tourism sector.

• Strengthening of collaboration and cooperation. It is necessary for small travel trade firms to more closely collaborate at integrating in tourism products’ co-creation in order to compete with large market players, in separate cases to perform firms’ mergers or acquisitions. The use of collaboration relations and possibilities enables to offer more qualitative products, saves firm’s costs (e.g., the creation of a new product). Travel trade companies should more actively integrate into international networks of travel trade companies, which give the possibility to qualitatively serve customers in any country of the world, enlarge geography of travels, and implement innovations.

Further research should cover the research on the strengthening of travel trade companies’ strategic position by referring to the methodology by Miles and Snow (1978). This would disclose the features of companies’ behaviour and their impact upon the result of companies’ activity in order to entrench within the new market or to reconsider their competitive strategies as well as strategic orientations within the present market.

References
Atliktas empirinis tyrimas, atskleidžiant, kokių veiksnių imasi Lietuvos kelionių organizavimo paslaugų sektoriuje. Empirinio tyrimo kelionių organizavimo paslaugų sektoriuje reikalingas dirbtinis plėtros procesas, kurio tikslas tikėtina padidinti konkurencinę poziciją veikiančių įmonių, leidžiantį konkurencingai įrengti požiūrį į turizmo švietimą, informacinių dienų ir konkurencinį marketingą. Reikalingas atlikti tyrimą, siekiant išlaikyti ir sustiprinti konkurines pozicijas vietiniuose ir tarptautiniuose rinkose. Mokslinės problemos atsakymas tampa strateginis pasirinkimas siekiant konkurencinio pranašumo stiprinimui. Tai reiškia, kad bendrovėms, siekdamos išlaikyti savo konkurencines pozicijas, būtina ne tik atlikti galiąją ir konkurencingą laisvą komunikaciją, bet ir pasiūlyti inovatyvius ir gerbiamus požiūris į turizmo sektorių.}

Siekiant išlaikyti konkurencines pozicijas turizmo sektoriuje, būtina siekti efektyvių strateginių pozicijų šalinimo ir skatinimo, taip pat sukuriant kasdieninės konkurės veikimus. Tai leidžia konkurės politikos atskleidžianti dokumentai gali būti naudojami kaip pagrindinės informacijos šaltiniai siekiant efektyvių strateginių pozicijų šalinimo ir skatinimo strategijų kūrimui. Svarbu paaiškinti, kad strateginė pozicija turėtų būti pritaikytą įvairioms turizmo sektorių veikėjų poreikiams ir įmonių tikslams.}

Siekiant išlaikyti konkurencines pozicijas turizmo sektoriuje, būtina efektyviai naudoti konkurencines pozicijos atskleidžiant struktūrinius, taktinius ir strateginius veiksnius. Tai leidžia konkurės politikos atskleidžianti dokumentai gali būti naudojami kaip pagrindinės informacijos šaltiniai siekiant efektyvių strateginių pozicijų šalinimo ir skatinimo strategijų kūrimui. Svarbu paaiškinti, kad strateginė pozicija turėtų būti pritaikytą įvairioms turizmo sektorių veikėjų poreikiams ir įmonių tikslams.