

The tourism entrepreneurship competitiveness research as a multidimensional model

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Abstract. The article presents the author's approach to the problem of competitiveness of entrepreneurship on a small business in tourism example. It is proposed to consider the competitiveness to be a result of combination of factors from different fields that have a different nature, and that fact makes ineffective the unidirectional impact on the competitiveness. The author proposes a multidimensional model of competitiveness, examined on the small tourism enterprises example, which can be used in other industries of economy also.

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Introduction

The Russian tourism industry nowadays found itself in a difficult period of transformation, characterized by a number of unfavorable trends, such as the supply and demand imbalance for tourist services, serial bankruptcy in the domestic tourism sector, insufficient control over the activity in the regional tourism market. This industry is specific enough to require adaptation of approaches to enhance competitiveness [1, 2].

The specificity of small business in general and in the tourism sector, in particular, affects the content of the concept of competitiveness and, as a consequence, the process of its improvement. Besides, at present it is actual to research competitiveness from a viewpoint of the crisis management [3, 4].

Nowadays the competitiveness of small entrepreneurship in tourism is a prerequisite for their stability and viability, which are due to the accordance of the structure with the conditions in which it functions. The lack of competitiveness in small tourist business structures leads not to the loss of market share only, but it also becomes the reason of bankruptcy because of the littleness of this share. This is particularly true for travel agencies, the number of which is usually dynamic. In other words, only competitive tourist agency can survive in the situation of severe economic crisis [5, 6].

Methods

The problem of competitiveness was studied using marketing research methods.

Main part

The complexity and dynamics of external factors the tourism entrepreneurship can not influence on, are the reason that today it is not enough to offer the customer a quality product at a

reasonable price. That confirms the experience of entrepreneurial structures tourism implementing agency functions in the Russian regions.

Today we can name two tendencies in the market of tourist services in Russian regions:

- experienced tourist prefers to use the Internet to book tickets and hotel, which turns out to be more profitable than to use the services of travel companies and purchase a tour package as a whole unit;

- the consumer focuses on the price of a tourist product first of all, and this consumer is either not aware that prices are established by operators and not agent-brokers, or just is not interested due to what he gets a discount. This consumer thinks stereotypically – a more representative office means higher costs of its maintenance, which are included in the price of the product, however, the tourist agent is not a shop, he has no margin, and he may not affect the price, set by the operator. Therefore, agents often have to give the consumer a portion of their fee through the mechanism of discounts.

This situation became possible because of the low business culture in tourism in the regions. On the one hand, we have the unenlightened consumers, on the other hand – the short-sighted seller, which is led by such consumer. Consumers need to be taught, and this fully corresponds to the concept of marketing management. It is necessary to form their understanding that the commissioners, in contrast to classical traders have no possibility to put their margin into the price of goods or services to have a opportunity to give discounts after, as do many commercial enterprises. So, the demand of a discount from travel agent is indeed an unethical attempt to “get into one's pocket”. The European consumer already has this understanding, and it is still forming in Russian consumer's mind. Therefore, the growing of competitive advantages in the regional tourism is

often not profitable, because the client will choose the agent that will offer the largest discount. This situation creates favorable conditions for unscrupulous competition development.

The author of the article suggested to consider the competitiveness of the business structure to be a result of a complex set of factors, and consumer's choice is just one of them. So, the following definition of the concept of the competitiveness of business structure in tourism is suggested.

The competitiveness of businesses in the tourism is a complex of features that allow business structure to correspond the needs of the target consumer segment in the qualitative tourist services and ensuring its economic resilience in the face of industry and systemic crisis.

The following model of formation of competitiveness (C) of the small business structure (SBS) in tourism, based on the definition above was developed (Fig. 1).

The competitiveness of small forms of business structures in tourism has three elements. The factors of competitiveness of the business structure of tourism from the position of the consumer, partner and States will differ. The significance of the factors of competitiveness of a travel agency with all of these positions are formulated directly by the entrepreneur using expert method of decision making. Thus, it seems expedient to talk about the multidimensional competitiveness of businesses in tourism.

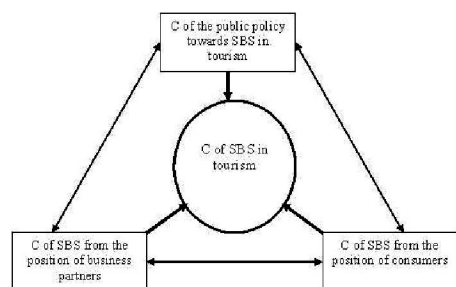


Fig. 1. The model of formation of the competitiveness of small businesses in tourism

External factors, that the entrepreneur can't affect, form the business environment, and their impact on business structure is unilaterally. Those are:

- competitiveness of the country in general – meaning not only the image of the tourist centre, important for the development of tourism, and investment climate, the country's reputation as the region with the conditions for civilized business development;
- the competitiveness of the tourism industry — competent legal regulation of this branch of

economy, the availability of necessary infrastructure, etc.;

- the culture of doing business — the observance of legislation, respect for the rights of competitors, partners and customers;
- the culture of consumption of a tourist product — understanding the features of a tourist product, pricing, respect the interests of sellers of the product;
- focus on the economic policy — at present, the government relies on the support and development of large enterprises, the problems of small and medium are minor.

If we consider these factors of the external environment from the viewpoint of the problem field content, it may be noted that the threats do exist in all the sectors of strategic analysis: economic, political, legal, social and socio-cultural. The bank of opportunities is considerably poorer. Entrepreneurs of the tourism industry should take into account such features of the external environment. These factors affect considerably the possibilities for improving the competitiveness of small businesses in tourism. Transformation of these factors from the threat category in the possibility category can take a long period of time, while they are outside the sphere of influence of an entrepreneur.

Internal factors of competitiveness are characterized by the fact that the entrepreneur is able to influence them, managing thereby the competitiveness of its structure. The most important of them include:

- competitiveness of management — the knowledge of the current situation and characteristics of the market, ability to think strategically and so on (this factor is particularly important for tourism because nowadays the entry into the tourist market is free, even for non-professionals);
- the competitiveness of staff — the role of managers-professionals in tourism is decisive;
- the competitiveness of tourist products — the same product offered by different operators, will have a different quality, so to increase competitiveness, it is important to choose a reliable operators.

Ultimately, both internal and external factors form conditions of competitiveness, and as a result the enterprise acquires a certain image in the eyes of contact audiences, which will assess its competitiveness. Usually these are consumers, partners and banks [7].

Based on the above, we can offer the following structure of the competitiveness of small businesses in tourism (Fig. 2):

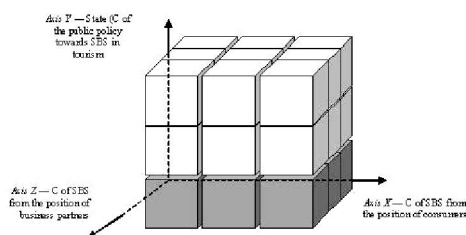


Fig. 2. The structure of the competitiveness of small businesses in tourism

Competitiveness is represented as a multidimensional characteristic that is a result of the impact of factors that are located in different planes (Fig. 2).

It is proposed to base further research on expert method, since its use seems possible to take into account that significant number of factors and nuances of the external environment that has an impact on the development of entrepreneurial structures. In particular, with expert method we determine the level of quality of the state policy towards tourist business according to pre-defined criteria. On this index depends on the dynamics of the industry development and the strategic potential of enterprise structures. In Russia today, this level can be defined as low - tourism development is not a state priority. In fact, it allows to consider the two-dimensional version of the proposed model. In selected experts plane we define the quadrant corresponding to the current competitiveness of specific business structures (Fig. 3).

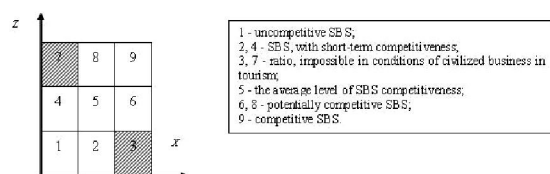


Fig.3 Competitiveness quadrants of SBS

The effective managerial decision-making allows the entrepreneur to develop its structure diagonally. Deviation from diagonal vector indicates the imbalanced management policy of the entrepreneur or short-term nature of its objectives. Based on the actual situation, it is proposed the following definition of this concept:

Multidimensional competitiveness of business structure is complex characteristic competitiveness of business structures, including the quality assessment of its work with the positions of different contact audiences, that determine directly or indirectly the stability of the structure in situation of crisis. This interpretation emphasizes the complex nature of the competitiveness; determines the dependence of the stability of business structure on

its competitiveness; indicates various contact audiences, influencing the sustainability of the business structure. Based on this approach, it is possible to design a management system of business structures of tourism multidimensional competitiveness, which is a summation of principles, methods, means, forms and processes of managing competitive factors that determine the attractiveness of the business structure as a provider of services and as a business partner.

The figures 3 and 4 show that the competitiveness of small forms of business organizations in tourism has at least three components:

1. Competitiveness from the position of the consumer.

It is a basis of competitiveness of the entire business structure, it is both the purpose and the result of its management. The evaluation of the travel agency, made by the consumer is expressed in money. So, a high evaluation of the travel agency made by the customer allows this business to earn and, as consequence, to exist.

Competitiveness from the position of the consumer is a well researched scientific aspect. So, it becomes important thing to determine the criteria of competitiveness, and to choose the competing business units to be a base of comparison. Evaluation of competitiveness from the position of the consumer will give an opportunity to find out how the structure is positioned on the market, to identify weaknesses and competitive advantages. This is important information for making strategic decisions. However, we have already settled the failure of this assessment, because it does not give complete information about the prospects of the business structure.

2. Competitiveness from the position of the partner.

The position of partners, in particular, tour-operators is important because it means a packet of terms on which the travel Agency will work:

- the value of the commissions;
- bonuses;
- willingness to make concessions in conflict situations, etc.

In other words, we are talking about what is the competitive advantage of one agency to the other. The trust of the operator is especially important in a crisis situation.

At the present time in relations between operators and agents impersonality prevails, which was a result of the crisis in the industry. The operators today practically does not differentiate the remuneration of agents, depending on the quality of their work. The rate of the commission does not depend on the work experience of the agent in the

industry, qualification of its staff and management, its reputation in the region, its material-technical base, the absence of conflict situations with customers and so on – all that is an indicator of real competitiveness of the agency. Operators are interested in sales volumes and these volumes may be achieved, including, unfair competition and policy discount. In the difficult period of crisis operators consider the problem of sales volumes as priority and do not differentiate the agencies with whom to contract, equally encouraging anyone to promote their product.

3. The competitive position of the state towards tourism.

This item is the most ambiguous, but in the situation of the crisis seems it seems to be justified to speak about it. As a rule, the competitive position of the state is reflected in the state policy towards business structures - small and medium business, and tourism industry.

Currently, the state policy towards small business is the real embodiment of the state's attitude. Nowadays we can speak about the absence of a clear strategy regarding the development of small business in Russian regions.

As a base for comparison it is possible to consider the state program of development of small business in other countries. For example, in Europe the tax revenues from the entrepreneurial structures of small and medium businesses are the main source of the budget, in Russia this figure is much smaller. It is evident that the Russian state structures largely focus on large business, and small developing, in many respects, not because of, but despite it.

It could also be noted insufficient attention from the state's tourism industry. Russia is positioned more as a raw material country than as a tourist destination, there are objective preconditions.

Of course, the issues of competitiveness of small businesses at the level of state policy in modern conditions are much more complex than it may seem at first glance. Not only attitudes towards tourism and small businesses need to be changed, but also we need to adapt, for example, educational policy [8]. In particular, introduction of the cluster approach training for innovative regional economies seems to be a good solution, and also requires effort, time and money [9]. Pay attention to the socio-economic regions willingness to innovate, and even those aspects of regional management that, at first glance, are not directly related to the development of small businesses, need to be improved, such as immigration policy [10, 11]. Of course, at one time such a complex task can not be solved. A systemic approach to the development of not only the country or region,

but also a separate business entity is needed. [12, 13, 14]

Thus, it is obvious that the competitiveness of the business structure is the result of many factors, including those to which the structure itself can not influence. It is important to note that the factors of competitiveness of the business structure of tourism from the position of the consumer, partner and state will vary. And the factors of a travel agency competitiveness with all of these positions are formulated directly by the entrepreneur using, for example, expert method of decision making [15, 16].

Based on the actual situation, the author offers the following definition of this notion.

Multidimensional competitiveness of business structure is a complex characteristic of a competitiveness, including the assessment of the quality of its work with the position of different contact audiences, that determine directly or indirectly the stability of the structure in conditions of crisis.

This interpretation emphasizes the complex nature of the competitiveness; determines the dependence of the stability of business structure from its competitiveness; indicates various contact audiences, influencing the sustainability of the business structure. Based on this approach, it is possible to design a management system of multidimensional competitiveness of business structures in tourism, which is a complex of principles, methods, means, forms and processes of managing competitive factors that determine the attractiveness of the business structure as a provider of services and as a business partner. The definition contains the following important points:

- 1) emphasizes the complex nature of competitiveness;
- 2) defines the dependence of the stability of business structure from its competitiveness;
- 3) indicates the unequal influence of different contact audiences on the stability of the business structure.

Based on the definition, it is possible to design the management system of multidimensional competitiveness of business structure in tourism. But it will be viable only if will matches the capacity of small forms of business structure – to be as simple as possible. **The management system of a business structure multidimensional competitiveness** is a complex of principles, methods, means, forms and processes of managing competitive factors that determine the attractiveness of the business structure as a provider of services and as a business partner.

Conclusion

Some mechanisms of management of competitiveness of businesses in the tourism and factors determining need to be examined in a special research. We do not set as a priority detailed elaboration of mechanisms of raising competitiveness, because according to the theory of multidimensional competitiveness, a large number of strategic options is possible, each of which will be individual. In this regard, the development of model algorithms seems to us inappropriate.

Inferences

The competitiveness of business structure is a multidimensional concept and is a result of the influence of factors with different socio-economic nature.

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