

TYPES OF STRATEGIES FOR THE TOURISTIC FIRMS

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ABSTRACT: Tourism is a phenomenon that is constantly evolving, developing and reformulating itself as a consumer activity. Tourism is constantly being developed by the tourism industry and individual business to appeal to the consumer, as marketing is used to develop new ideas, products, services and destinations. For example, there is an international interest in developing niches, which are specific interests and activities that people might find interesting as an activity for their holiday. Recent developments that characterize this include the rise of natural-based ecotourism products, of wine and food-based tourism, following on people's interests, provides an example of a successful development of niche products. With all these roles, researchers as well as governments have agreed on the need of development strategies, as a successful and beneficial way towards the future.

Keywords: strategy, corporate strategy, business strategy, developing strategies, tourism operators

JEL codes: M10

Introduction

The present economic context is characterized by a dynamic, unstable and uncertain environment and by a growing competition at regional, national and global levels. In this type of context conceiving a strategy in the tourism field – which is possibly one of the key factors for the Romanian economic and social development – is a difficult, but absolutely necessary task, no matter the size, form of propriety or territorial profile that the tourism companies have.

In the following years big changes are expected in the Romanian tourism. In my opinion they will be more important than the changes in the last and a half-decade.

New consumers will determine the future market opportunities by a new social and economic environment, by new products and services, by new destinations and by new information and distribution channels.

Both the big and small tourism operators can and will profit from these advantages and opportunities. Thus, many questions arise: What type of strategies and what type of investments or products will be demanded in the future? Which destinations will be more attractive? If it were to place a bet, what will be the information and communication technologies' impact on tourism? How can we stimulate innovation in touristy services? What initiatives and strategies will have to be emphasized?

Elaborating and applying strategies in Romanian tourism companies is a complex process, which necessitates realistic options and profound specificities of this field, which is so alive, and in continuing expansion. A dynamic and harsh competition causes this sector to change in front of our eyes. It is up to us to “catch” the unprecedented environment changes and to foresee their future. The best way to do this is by elaborating strategies – which represent *perspective, positioning, plan and pattern*.

The organization's strategy theme has concerned a series of management personalities, the most representative being: Harry Igor Ansoff, Alfred D. Chandler, Kenichi Ohmae and Michael E.Porter.

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Whittington (2001) divides the strategy concept in four different approaches. *The classic approach* has its origins in Chadler's (1962) and Ansoff's (1965) first approaches and concentrates on the analysis and planning of a correct strategy and on the organisation's positioning on the market. This strategy is based on carefully studied planning and analyzing and is formulated and implemented on the basis of these types of decisions. A question that rises in this context is: how can the organisation's structures be determined to accept rational strategic decisions taken by the top management? Still, this approach doesn't take into consideration the other members that can participate in the strategy's elaboration, nor the possibility of irrational decisions taken by the top management. In this vision, the strategy's implementation, thou considered important, is left to the organisation's structures and not to people like medium level managers. *The evolutionary approach* is based on the natural selection principle which means on the market the strongest survives. In this context the manager's individual strategic decisions are not considered important and his role is limited to maintain the costs low. With this approach the environment is the one that leaves a mark on the strategy's structure. *The process approach* brings to attention the cognitive limitations of the top managers' actions and of the organisation's policies. This approach criticizes the planning's almightiness and considers it a simple managerial ritual. *The systemic approach* sees the strategy tied to the sociological context, closed in the social and economic system. In this context the cultural conditions are essential and differ from one country to the other and from one organisation to another. These different points of view are presented in table no. 1.

Table no. 1.

Different perspectives of the strategy's elaboration approach (Whittington, 2001)

Perspective on strategy	The characteristics of the strategy's elaboration process
The classic approach	A top managers' process of analysis, calculus and rational decision taking, followed by the implementation
The evolutionary approach	The environment decides who survives
The process approach	Instead of a formal planning process, the strategy's elaboration process is pragmatic, based on learning and understanding
The systemic approach	The process depends on the social systems inside which the strategy is elaborated

A conclusion to Whittington's perspective is that when searching the best way to elaborate a strategy it is hard to win by using one strategy or another, but when trying to adapt the strategy to the market and to the social and organisational environment each of these approaches has a well deserved place.

Thomas L. Wheelen (2006) delimits three types of strategies in the book "*Strategic management and Bussiness Policy. Concepts and Cases*": **corporate strategies**, **business strategies** and **functional strategies**. According to Wheelen, the *corporation strategies* describe the general directions of a firm, in terms of its attitude towards growth in general, towards the management of different parts of the company and towards the production line. These strategies are generally placed in one of the next situations for the company: stability, growth and restraint. The *business strategies* target the improvement of the products and services' strategic positions inside a specific industry or inside a market segment. This strategy delimits two distinct categories: *competitive strategies* and *cooperative strategies*. In some cases the cooperative strategies can be used as a base for the competitive strategies. The *functional strategies* represent the vision of a company's or businesses functional component to reach the company or business' objectives by maximizing the productivity of the resources. The company bases this strategy on the development of a specific competency in order to obtain a strategic advantage.





According to this approach the relation between these three types of strategy can be outlined as in figure no. 1.






Fig. no. 1. Strategies hierarchy (Wheelen, 2006)

Leslie W.Rue and Phyllis G. Holland (Whellen, 1986) categorize the strategies in two groups: the superior type organisation strategies group and enterprise level or business centre strategies group.

The superior type organisation strategies group includes:

-  ***Growth strategies (concentration, vertical integration and diversifying strategies);***
-  ***Stabilizing strategies;***
-  ***Defensive strategies;***
-  ***Combined strategies.***

The enterprise level or business centre strategies group includes:

-  ***Strategies based on production and distribution policies and on generally low prices;***
-  ***Products and services differentiating strategies;***
-  ***The product or service focusing strategy on a certain market or on certain markets.***

As a strategy object, the business was an attraction point for many established authors of the strategic management - I.H. Ansoff (1965), M.E. Porter (1980), H. Mintzberg (1988), M.Gervais (1995), J. Chevalier (2002) etc. Next I will try to bring in to the forefront a few of the more complex and pertinent typological approaches.

Mintzberg also sets the strategies' boundaries, depending on *the main business's positioning in one of the technological process's phases*, as follows (H. Mintzberg, J. Lampel, J.B. Quinn, S. Goshal, 2003, p.116-118):

- 📖 **Strategies for the first developing stages** – the phases where one or more raw materials are combined in order to result different basic products, with multiple using. These phases tend to be intensive in technology and capital, rather than intensive in human resources, but also seeking to obtain a strategic advantage by keeping costs low.
- 📖 **Strategies for the second developing stages** – the phases where we can combine a raw material and obtain semi-manufactured goods, which combined lead to final products.
- 📖 **Strategies for the third developing stages** – the phases which regard the product's assembling, its transportation and distribution to consumers.

Another classification of Mintzberg, which has as criteria *the distinctive characteristics, which give an organization the possibility to obtain a competitive advantage*, allows him to delimit the following strategy types (Mintzberg, 2003):

- 📖 **Designing strategies**, which aim fields like research and product developing;
- 📖 **Processing strategies**, which aim: the developing of processes and operations (manufacturing, assembling, etc.)
- 📖 **Resources' insurance strategies** (material, human, financial);
- 📖 **Delivering strategies**, which are concentrated on marketing (market channels, prices, promoting), sales, distribution, services.
- 📖 **Support strategies**, which aim fields like: legal field, control, training, etc.

Practical implications

The purpose of my future research will be to bring to the forefront not just theoretic aspects concerning the managerial strategy, the way it is elaborated, implemented and used by companies, but also aspects tied to the putting into practice of the strategy, like companies, particularly tourism companies, see it. Although the process of implementing the strategy influences the activity of many organisations' members, researching the strategy has only recently become important for the practitioners activity. Thus, managers became a group of actors whose role in the strategy's elaboration process is not completely known. Although, the specialized literature contains many references to the theoretical significance of this role, the activities tied to practice are still insufficiently explored. The specialized literature doesn't offer enough information about daily activities, the instruments and methods of work necessary to implement the strategy.

Thus, my future concern will be to carry out a research at Romanian tourism companies, and the general objective of the study will be to generate new knowledge about the companies' success or failure to implement these types of strategies. The study will take place at organisations, which develop these strategies and are this way motivated to participate in this kind of study.

The questions around which the study will be structured are:

How does the elaboration's strategy process unfold in practice inside a Romanian tourism company?

What are the differences between the practical elaboration process of the managerial strategies and the theoretical approach and how can they be brought to a common denominator?

For the Romanian tourism companies' managers, the study will seek to find instruments and concepts that will help them to better understand the strategy's elaboration process. I hope that after finishing, the study will be able to give a solid support that will help them in evaluating their present state, and to evaluate the possibilities which the elaboration process offers. A more pertinent implication is that the results of the study will allow the managers to develop their own strategies by creating new practical implications that will sustain the old ones that are currently used.

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