

THE RELATIONSHIP BUILDING STRATEGY WITH PARTNERS IN TOURISM MARKET

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ABSTRACT: Today's business environment consisting of network organizations with growing number of links and interdependencies between companies changes an approach to management. Traditional firm-centric strategies should be complemented by network strategies, since competition increasingly occurs between networks replacing competition between firms. In order to gain a competitive advantage, it is necessary to create a competitive network which requires developing relationships with customers and other groups of stakeholders. In the travel and tourism industry, the ability to build long-term relationships with the tourist company's partners is particularly important, since tourist products are composed of numerous services delivered by suppliers. The aim of the paper is to show the relationship building strategy with the tourist company's suppliers in the context of selecting partners, determining the conditions for cooperation, and application of communications tools facilitating the development of the mutual ties. To illustrate the discussed issues, the case of Mazurkas Travel, Polish Incoming Tour Operator, is analyzed. The conclusions are formulated with regard to the role of relational capabilities as important tourist company's core competencies and a source of competitive advantage as well as communications tools used to build and strengthen the company's relationships with partners in the new product development process. **Keywords:** network organization, network strategy, network innovation, relational capabilities

INTRODUCTION

In the travel and tourism industry with enormous competition between tour operators and other tourist services providers, one of the most significant challenges for managers is to develop competitive tourism products. Since a large number of tourism products offered by tour operators are composed of numerous services delivered by suppliers, the ability to cooperate and build long-term relationships with the tourist company's partners is particularly important. The recent studies show that designing new products requires effective communication among those who are involved in the process of product development. Moreover, relational capabilities are crucial

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for good communication with partners and building mutually beneficial relationships.

The aim of the paper is to show the relationship building strategy with the tourist company's suppliers in the context of selecting partners, determining the conditions for cooperation, and application of marketing communications tools as well as other communications means facilitating the development of mutual ties. The main thesis refers to the statement that the relational capabilities are important tourist company's core competencies and a source of competitive advantage. The application of appropriately selected communications tools strengthens the company's relationships with suppliers in the new product development process, which results in creating enhanced customer value proposition. To illustrate the discussed issues, the case of Mazurkas Travel, Polish Incoming Tour Operator, is analyzed.

Developing marketing network through relationships

The emergence of new communication and information technology has a tremendous impact on the society and existing social structures. Modern society is described by many authors as the network society, since people, organizations, and communities are linked to one another, having a constant access to information and communication (Van Dijk, 1999). Some researchers argue that network have become the basic units of modern society and key social structures and activities are organized around electronically processed information networks (Castells, 1996). In the network society firms are operating in a system of interrelated businesses, which changes the landscape of business, causes both opportunities and threats, and implies new approaches to strategy formulation process and other managerial decisions.

Companies which were once perceived as self-contained nodes connected with other enterprises, are now seen as an integral part of networks. The network-based nature of business have changed relationships of companies with one another, customers, employees, and other groups of stakeholders. New network-based organizations require extending the traditional approach to strategy and competencies. Networks have implications for business especially in the areas of risk management, strategy, marketing, human resources, and value creation, which requires new approach to business models. Traditional firm-centric view of competencies and models need to be complemented by new network-based models, and firms should view their profits and risks in terms of their relational capabilities in their networks rather than in terms of what they control internally. Core competencies also look different from network perspective. The competencies that are important are no longer the ones a company owns, but rather the ones

a company can connect to. Thus, all managerial decisions should be made in the broader context of networks (Kleindorfer, Wind, 2009).

Networks create new opportunities for innovation, product design, and development, which are no longer centered in a single firm. Managers need to understand how to get the best ideas and develop products through networks. Formulation of an innovation strategy requires a new approach and shift toward network-centric innovation with the emphasis put on external networks and communities, including customers, suppliers, and other groups of stakeholders, as well as independent inventors, and academic researchers (Nambisan, Sawhney, 2009). Since many products are complex, composed of networks of interconnected elements, they should be designed by networks of design teams working on different components of the product. Thus, designing new products requires effective communication among those who are involved in the process of product development. Moreover, effective communication and relational capabilities are crucial for cooperation and building long-term relationships, necessary for the success of the network-based strategies.

In recent decades, the approach to marketing communications has changed due to growing number of communication channels, and more fragmented audiences made up of sophisticated consumers. Many companies moved toward integrated marketing communication, instead of using selected communication tools to achieve their communications objectives. Integrated marketing communications is the concept that recognizes the added value gained through integration and coordination of all marketing communication tools, functions, and sources within a company into a consistent program. This program is designed to bring together advertising, direct marketing, sales promotion, public relations, and other communication tools to maximize impact on consumers and other stakeholders (Clow, Baack 2007). Additionally, it is important to remember that firms communicate with many groups at the same time, including potential buyers, current users, employees, suppliers, distributors, influential groups, and general public, so it is necessary to design communications aimed at specific audiences.

Today's communications cannot not be simply viewed as a set of tools designed to obtain the desired audience response. It should be rather viewed as a process of building and developing relationships with customers and other groups of stakeholders leading to the creation of a marketing network. The ability to develop an effective marketing network and build mutually beneficial relationships with stakeholders enables a company to gain competitive advantage in the market (Kotler, Keller, 2007). Creating marketing network requires integration and coordination of all communications tools as well as other marketing

instruments. The approach to communications based on the idea of developing relationships was caused by the emergence of relationship marketing, which changed the marketing paradigm and gave a new perspective to marketing.

The concept of relationship marketing was introduced in the 80s and initially referred to as attraction, maintaining, and enhancing customer relationships (Berry, 1983). Later, the definition was extended and a broader view towards relationships was taken. In addition to customer markets, it was suggested to develop relationships with other markets with which a company interacts as well as internal markets (Christopher et al., 1991). Customer markets remain of prime importance for marketing activities of a company, however, developing relationships with other groups of stakeholders has recently gained more significance. Additionally, effective communication within the organization, which helps ensure that all staff understand marketing approach and is eager to serve customers, is emphasized due to its impact on creating customer value, especially with regards to customer service.

There are numerous relationships and interdependencies between sectors in the travel and tourism industry, since the development of many tourism products requires cooperation between service providers and the visitors usually need a variety of tourist services to satisfy their needs. Thus, the main tourism sectors including accommodation, food and beverage service, recreation and entertainment, transportation, and travel services, are strongly linked and interrelated. In the process of customer value creation, tour operators cooperate with suppliers delivering partial services, travel agents selling package holidays to tourists, tourist organizations and other entities involved in promotion of tourist destinations aimed at creating demand for new directions and tourist product. Moreover, they need to take into account customers' needs and preferences while developing new tourism products.

A company which develops a better marketing network and builds mutually profitable relationships gains competitive advantage in the market (Kotler, Keller 2007). Thus, the ability to build a competitive network through relationships can be seen as one of the company's core competencies. The development of relationships requires an understanding of needs and goals of different groups of partners and developing programs and tools suitable for enhancing relationships. Tour operators should design marketing programs adjusted to the specific character of network partners. Since marketing communications plays an important role in building and maintaining positive relationships, communications strategy should be carefully planned and communications tools appropriately selected. All communications tools as well as other marketing instruments should be integrated and coordinated to ensure consistency and coherence of implemented strategy.

The methodology and discussions of results

Considering the complex character of tourism products offered by tour operators, the ability to build and maintain positive relationship with suppliers is crucial for shaping the competitive market offering and gaining competitive advantage in the market. The process of the new tourism product development is concerned with the necessity of making new contacts, negotiating the conditions of cooperation with the numerous suppliers, and developing good relationships with them. Due to the specific nature of tourism products a, it is necessary to extend knowledge on the factors determining beneficial cooperation with suppliers as well as effective communications means important for building relationships and maintaining and enhancing mutual cooperation.

In order to get information concerning the importance of building and maintaining positive relationships with suppliers in shaping competitive tourism products, a case study of Mazurka Travel, Polish Incoming Tour Operator, is analyzed. The company was selected due to several reasons, including: its experience in the market, strong position, and a wide range of tourism products composed of various services delivered by suppliers. The in-depth interviews with the company's managers were conducted.

The aim of the research was to analyze the relationship building strategy with the tourist company's suppliers in the context of selecting partners, determining the conditions for cooperation, and the application of marketing communications tools and other means of communications facilitating the development of mutual ties. The identification of barriers to cooperation and reasons for termination cooperation were also among important research tasks.

The assumption was made that the relational capabilities are a prerequisite for developing mutually beneficial relationships with suppliers, which enables creating competitive tourism products, and therefore must be seen as important tourist company's core competencies and a source of competitive advantage. It was also assumed that the application of appropriately selected communications tools as well as other means of communications strengthens the company's relationships with suppliers in the new product development process, which results in creating enhanced customer value proposition. Moreover, it was assumed that the ability to select and adjust communications methods, tools, and techniques to a particular group of suppliers as well as individual suppliers can be considered as an important relational capability.

Mazurkas Travel is a privately owned Polish Incoming Tour Operator, DMC, and PCO company founded in 1990. It specializes in incoming tourism, designing and implementation of tailor-made programs

for business meetings, incentives, product launches, conferences, conventions, seminars, exhibitions, special interest tours and hospitality services in Poland. Mazurkas Travel offers concept making, consulting, accommodation, transportation and other tourist services. The employees working in the multilingual teams design departure tours and leisure programs with wide selection of itineraries as well as special interest tours for organized groups of tourists and individual travelers. Mazurkas Travel cooperates closely with Mazurkas Travel Transport and MCC Mazurkas Conference Center & Hotel, which enables offering complex and high quality services as well as a large number of suppliers (www.mazurkas.com.pl, accessed January 2014).

According to the opinions of the surveyed managers, in the majority of cases, developing tourism products offered by Mazurkas Travel, requires cooperation with the numerous suppliers, including: hotels, restaurants, transport companies, tour leaders, guides, and other tourist facilities, such as: museums, galleries, craft centers, historic churches and the like. In order to create competitive tourism products, it is necessary to carefully select the suppliers, define the terms of cooperation with all partners involved in shaping tourism products, develop a communications strategy for reaching a particular group of suppliers, and decide to end cooperation in case of arising problems. Thus, it can be stated that the company act as a network orchestrator. The president of the company with the directors make decisions regarding the choice and the conditions of cooperation with suppliers, however, service personnel responsible for developing tourism products can select the suppliers from those who are cooperating with the company. Table 1 shows the estimated number of suppliers and key suppliers cooperating with Mazurkas Travel. The company has been cooperating closely with about 90-100% of suppliers for more than 4-5 years, which means that it has developed long-term relationships with the majority of partners.

Table 1. The suppliers cooperating with Mazurkas Travel

Types of suppliers	Number of suppliers	Number of key suppliers
Hotels	50-80	20-25
Restaurants	50-80	25-30
Transport companies	15-20	5
Tour leaders	50	20
Guides	50	20
Other tourist facilities (museums, galleries, historic churches, craft centers and the like)	100	20

The hotel selection criteria which were the most frequently indicated include: location, price, flexibility, and good relationships with the hotel staff. The choice of restaurants depends largely on their location, price, décor, atmosphere, and the menu offered. Transport companies should be characterized by the following factors: quality, competitive price, flexibility, diversity of means of transportation, and good manners of drivers. Tour leaders and guides are expected to be knowledgeable and experienced, have a good command of foreign languages, be flexible and have an individual approach to tourists, and be able to cooperate with the office personnel. The selection of museums, galleries, historic churches, craft centers and other tourist facilities are determined by their attractiveness (the presence on the UNESCO list), availability (days and hours), flexibility, and the linguistic diversity of guides.

The most important factors facilitating good cooperation with hotels' managers include: flexibility, ability to cooperate, willingness to negotiate, individual approach, understanding the specific character of each group of visitors, offering extended services such as: spa, wellness, swimming pool. Maintaining good relationships with restaurants' managers depends on their flexibility, ability to cooperate, willingness to negotiate, individual approach, and the ability to adjust the menu to the visitors' preferences as well as speed of service. Among the factors which enable good cooperation with transport companies are: a large selection of means of transport, offered discounts, flexible approach, and good communication with drivers. Long-term relationships with tour leaders and guides depend on their personality, reliability, flexibility, appearance, communication skills, quick responses to e-mails, and eagerness to cooperate with service personnel. Attractiveness, availability, and flexibility are key determinants of successful cooperation with museums, art galleries, craft centers and other tourist facilities.

In order to maintain and strengthen relationships with all groups of suppliers, it is necessary to use various types of communications, ranging from marketing communication, through business communication, to informal communication means. The most common forms of marketing communication include: business meetings, study tours, greeting cards, occasional meetings and parties. Business communication is performed through e-mails, telephone calls, and direct mail, whereas social networks such as Facebook are informal means of communication. Developing relationships with hotels and restaurants requires more emphasis put on marketing communication means, such as business meetings, study tours, placing ads in catalogues and other promotional materials.

All forms of communication play a significant role in shaping positive relationships with suppliers. Other factors that are crucial for developing and enhancing mutual ties include: availability and quick re-

sponses to e-mails, understanding, empathy, interest and motivation, involvement, willingness to solve problems, ability to react in unexpected situations and meet specific and sophisticated needs of customers, and offering added value and price discounts. Moreover, it is important to remember that good relationships depend on all business partners. Thus, tour operator's responsibilities include: timely payments, providing orders to suppliers, good communication, sincere cooperation, and support and assistance in solving problems.

Table 2 The relationship building methods, tools, and techniques

Types of suppliers	Suppliers selection criteria	Factors determining good cooperation	Communication tools
Hotels	hotel location price flexibility	flexibility ability to cooperate willingness to negotiate individual approach good relationships	business meetings study tours direct mail e-mailing phone calls greeting cards occasional meetings
Restaurants	restaurant location price decor menu flexibility	flexibility ability to cooperate willingness to negotiate speed of service individual approach good relationships	business meetings study tours direct mail e-mailing phone calls greeting cards occasional meetings
Transport companies	quality price flexibility diversity of means of transport	large selection of means of transport willingness to negotiate individual approach good communication	business meetings direct mail e-mailing phone calls greeting cards occasional meetings
Tour leaders, guides	knowledge of languages general knowledge good manners ability to cooperate individual approach	flexibility nice personality good appearance communication skills good relationships meeting commitments	e-mailing phone calls greeting card occasional meetings
Other tourist facilities (museums, galleries, historic churches, craft centers, and the like)	attractiveness flexibility availability linguistic diversity of guides	attractiveness availability flexibility	direct mail e-mailing phone calls

Building positive relationships with suppliers is essential for the new product development, however, it was not directly indicated by

the surveyed managers. Among the factors listed as crucial for creating competitive tourism products were: uniqueness, creativity, originality, as well as the added value. Restaurants can serve for instance: a welcome glass of vodka or a farewell glass of cherry vodka, offer bread and lard as a free starter, welcome guests with bread and salt, or have a carefully selected background music, while hotels may offer additional services such as: a swimming pool, spa, wellness or have an interesting interior design. Moreover, the quality of delivered services is very important for the tourism product competitiveness as well as tailoring the offer for the specific target audience and the individual approach to customers. Since there is a wide range of suppliers, the price for services offered is also one of the decisive factors when selecting partners. Additionally, it is important that the tour operator's service personnel possess an extensive knowledge on the customers and markets, which allows them to develop the tourism products adjusted to customers' needs and preferences.

Despite the fact that building positive relationships with suppliers was not listed as one of the prerequisites for creating a competitive tourist offer, all managers stressed the importance of mutual ties when they were asked about the role of good relationships with suppliers in the new product development process. They emphasized that good cooperation with partners is a result of the previously mentioned factors. In order to build and maintain positive relationships with suppliers, it is also necessary to define barriers to beneficial cooperation. According to the managers the main problems arise from: lack of understanding, lack of flexibility, lack of interest and willingness to solve problems, lack of professionalism, disregard, conflictuality, failure to meet the terms of agreement, dishonesty, and poorly handled complaints. The reasons for termination of cooperation between the tour operator and the suppliers can be due to: low quality of provided services, lack of problem-solving skills, lack of flexibility, shifting blame to other parties, and customers and tour leaders' complaints.

CONCLUSIONS

Shaping tourism products such as package holidays, congresses, conferences, incentive travels requires the involvement of many entities whose services are an integral part of tourism products. Thus, due to the complexity of tourism products, tour operators cooperate with numerous suppliers including hotels, restaurants, transport companies, tour leaders, guides, and other tourist facilities. Tour operators which act as network orchestrators need to select suppliers, define the terms of cooperation, and build and strengthen ties with all actors involved

in the new product development process. Moreover, they need to implement varied activities to develop relationships and adjust means of communications to the specific character of each group of suppliers.

The study shows that the creation of competitive tourism products requires maintaining and enhancing the relationships with all parties involved in the new product development process. Tour operators select suppliers based on a good understanding of market and extensive knowledge of customers as well as their needs and preferences. Furthermore, factors of tourism product competitiveness such as: originality, uniqueness, added value, quality of services, individual approach and price advantage are taken into consideration while selecting suppliers. Marketing and business communications play an important role in building mutually beneficial relationships.

The tourism product development depends largely on the suitable selection of suppliers, defining mutually beneficial conditions of cooperation, and building and strengthening the relationships through the applications of the selected means of communication. The quality of tourism products offered by tour operators depends on the quality of services delivered by suppliers, which means that tourism products are the result of combining core competencies of all entities involved in the tourism product development process. This combination of core competencies allows tour operators to create unique value for customers.

Relational capabilities, which are crucial for mutually beneficial cooperation of network partners, should be regarded as an important source of competitive advantage and one of the key competencies of network companies. Lack of competence in the area of relational capabilities can be a significant barrier to cooperation between tour operators and suppliers. Thus, tour operators as network orchestrators should take into account the issue of building and strengthening relationships with suppliers while designing their strategy and select the most efficient communications tools to improve cooperation.

Since the study was concerned with the investigation of the relationship building strategy with suppliers in Mazurkas Travel, Polish Incoming Tour Operator, it would be recommended to continue the research and examine relationship building strategies with suppliers in other travel companies offering tourism products.

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