

INNOVATION – A WAY OF INCREASING SMALL AND MEDIUM-SIZED TOURISM ENTERPRISES COMPETITIVENESS

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Abstract

The tourism phenomenon and the diversification of its forms have multiple consequences on the natural environment, the society and the economy. On the other hand, Small and medium-sized enterprises (SMEs) competitiveness affects the competitive position of the economy as a whole.

Innovation in tourism is associated with novelty of the marketing methods for obtain a favorable impact on consumers, creativity for creating a new tourism services according with the request at the market, performance for necessary in order to resist in a growing competition. Those key elements bring an improvement to the tourism services and are based on the efforts to adding value according to the consumers' perspective.

Competitive strength of a SMTEs lies in competitive advantages and distinctive competencies that we possess in relation to other competitors. The paper focuses on the questions: What could be the contribution of SMTEs to the development and competitiveness of tourism destination?

Keywords: small and medium enterprises, competitiveness, tourism.

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1. Introduction

Also Small and medium-sized tourism enterprises (SMTEs) operating in a competitive environment internally and externally very strong. Facing the different markets is very tough and the competition to be seen in its real dimensions, without having a vision too optimistic, whereas only way it will take all necessary measures to ensure security and development firms, regardless of sector.

The suggests safety, efficiency, quality, high productivity, adaptability, successful, modern management, superior products, low costs. Competitive strength of a SMTEs lies in competitive advantages and distinctive competencies that we possess in relation to other competitors.

Integration into the competitive environment is one of the most difficult problems with which the SMTEs is confronted. Background management strategy is rigorous nature to facilitate and increase the effectiveness of integration in complex business and dynamic environment in which it is placed. Furthermore, management practices in EU countries show that SMTEs, which based on business strategy obtains the net economic results superior to the other.

Those key elements bring an improvement to the tourism services and are based

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on the efforts to adding value according to the consumers' perspective.

The electronic alternatives marketing aiming at offering on the market new or significantly improved services. So, the virtual tourism may be seen as a revolutionary approach to the business attainment concept. We have to deal with some modifications regarding the way in which the information is used or how the clients, the suppliers and the employees are contacted; regarding the marketing, the promotion method etc.

Currently, travel agents tend to market to local consumers, but the Internet gives travel agents the opportunity to market to non-local consumers who wish to travel to those agents' own vicinity.

Portable electronic communication devices such as cell phones, laptops, and personal digital assistants help people stay connected while away from home or office. In fact, large majorities of business travelers and pleasure travelers said that they brought cellular telephones with them on a trip taken in the past year.

2. Development of the SMEs innovation capacity

The Small and medium enterprises bring a significant contribution in what concerns competitiveness, research, innovation, employment as well as the solution to particular problems. We should strive to develop a dynamic and competitive SME sector, which will contribute to economic growth, employment and reduction of poverty.

SME in the new Member States, example Romania, must face growing competition and must try to improve competitiveness through innovation, technology, education and training. The dynamics of globalization have serious impacts on the business environment of the enterprises and therefore on the entire economy.

Innovation, in general sense, means all those steps scientific, organizational, financial and commercial lead, intentionally or not, the implementation of new or improved products or processes. Innovation is based on the results of new technological developments, the combination of existing technologies and other knowledge acquired by a particular organization.

According to the last researches approximately 30-60% from the small and medium enterprises from the production sector from OCDE countries can be characterized as innovative. Smaller firms tend to be more and more innovative, engaging step by step in efforts for research and development and innovation in fields related to commercialization of the existing technologies, creation of products and services and the implementation of the flexible working practices. The smaller innovative firms have the agility to answer quickly to the technological changes and customers needs. However, can experience problems in acquiring the resources needed to answer to the rapid changes; some of them solved this problem by joining to the cooperation networks in order to improve their innovative capabilities.

In the case of the European Union, a special attention was conferred to the following types of small- and medium size enterprises: small- and medium size enterprises from the rush and medium technical sectors that have affinities by the nature of the businesses deployed with Internet and the new evolutions of the market; the small- and medium size enterprises that exploit the opportunities offered by the electronic commerce, especially in the services sector – sometimes named cyber-firms; the small- and medium size enterprises integrated in the chains of added value of the big companies which are forced to innovate under the pressure of the main clients.

Striking manifestation of the knowledge revolution and its many mutations produced in the world economy have led policymakers, especially in the most developed countries, to address these realities in front a prospective vision and pragmatic. A peak in this regard was the EU summit in Lisbon, where it was established as a fundamental objective for countries that make up this organization building knowledge-based economy. In this respect, one of the main areas of action is to entrepreneurship, which means small and medium sized companies more and more efficient. This choice is justified by matching the characteristics of small and medium business, and knowledge-based economy. The small number of components, small size of tangible assets, less complexity of activities and flexible structures of SMEs are much easier situation in forefront of concerns, their decisions and actions, the resource of knowledge. The activity of SMEs is central to the spirit of economic innovation, productivity growth, economic competitiveness and employment generation. Causality link SME sector and economic growth is the subject of considerable debate controversial because of the difficulties of creating a theoretical framework and to quantify, let alone explain phenomenon in the various nations.

In Handbook of economic strategy developed by Peter King, used by the University of Oxford, design and implementation of the strategy have a significantly different structure. The 11 steps recommended are: - determining strategic objectives of the organization, to be expressed in quantitative terms, indicating their associated limits; - establishing, based on strategic objectives, more specific targets for efficiency investments, sales etc.; - internal assessment of the organization, based on analysis of its current status in terms of resources and performance; - external evaluation through surveys and analysis organization's external environment - providing future performance based on information obtained in the previous two phases, by simple extrapolation past and current performance; - analysis of differences between the results of the second phase and, respectively, the five; - identified and evaluating various strategic options to reduce differences and to achieve strategic objectives; - expected to choose between strategic options; - preparing the final plan of organization, divided into two sections; - the long term and short term; - implementing the chosen strategy; - performance evaluation carried out in the provisions of the plan.

To become or to remain competitive, Romanian companies must continually develop ways of operating through more sophisticated strategy aimed at increasing research and innovation capacity and functioning in a business environment to the highest level. The competitive advantage of Romanian SMEs will depend on the state to create attractive conditions for such local or foreign companies to find ways most effective way to mobilize them. Creating a stimulating business environment for SME growth and their competitiveness is based on the national strategy and government policies to facilitate an incentive framework for foreign investment and development of commercial partnerships with small and medium firms in other countries. This should be stimulated and the concentration of domestic private capital to help boost the sector's role the Romanian economy.

The innovation infrastructure includes: incubators (infrastructure for start-ups), technological parks (experimental facilities), technical transfer centers and the system of intellectual property. Regarding the infrastructure the government consistent policy measures according to the recently launched National Plan for Developing the Infrastructure for Innovation and Technological Transfer. In this plan is mentioning the amount which is destined to co-finance centers of technological transfer, office for connection with industry, technological parks and technological incubators.

Ministry of Education and Research and the Ministry of Communications and Information Technology aim to attract to industrial parks with intention to create such parks in every Romanian city that has a university center. They estimate that around 50 business incubators have been created, but there are no monitoring mechanisms and no efficiency criteria or targets for them.

3. The contribution of SMTEs to the competitiveness of tourism destination

In the 'Digital Economy', tourism businesses should use digital distribution channels for their product (in conjunction with traditional) to come into contact with consumers, which means investment in hardware and software products as well as ability to the skilful use of new media. The SMTEs not normally have the required qualifications and financial ability to exploit the opportunities of the Digital Economy. We disseminate product information, knowing what distribution options are available to them. These companies must be able to present their products to target markets with the lowest cost distribution through access to economically tolerable electronic channels, which are known in the circles of the markets that interest them without having to become experts in computers and telecommunications. This approach requires reliable and accurate expert advice, to make the correct choice of material technology.

They need support to innovations that will be made to learn new tactics, improve the quality of services to strengthen their competitiveness. Network approaches are needed to enhance their relevance to the market, maintaining their autonomy. These approaches should take into account the different types suppliers

(hotels, restaurants, and even organizers of cultural events), and different, perhaps conflicting, interests.

The innovation provide an unprecedented opportunity to improve the competitiveness of regions SMTEs after bridge the gap with their customers, reduce the dependency and strengthen the channels using force. We also note that these benefits will last until the time and their competitors will emulate and set up systems similar to those in business.

Nevertheless it is clear that SMTEs, as well as remote areas are established, continually removed from the mainstream tourism industry, since they can not tolerate the cost. In addition, the independent and flexible nature creates serious obstacles to their integration in the rapidly evolution.

Thus, ICTs provide the means by which they can SMTEs some strategies to overcome weaknesses, including a strategic tool for local cooperation, consolidation, promotion and distribution of products. We must not forget that ICT increases the levels of competition for all types of businesses. The ignorance of SMTEs in the field of ICT and lack of infrastructure in the regions, may cause additional disadvantages, because not only are less likely than large corporations to exploit these opportunities, but also because they encounter fiercer competition from international organizations.

The recognition of small business as one of the most dynamic members of the global economy and the increasing support from governments and international delegations, the great opportunity to improve their strategic position. A variety of educational programs initiated by the EU and other organizations on the use of ICT by SMTEs. In this way, tourism can be strengthened in these areas, since they will be able to evaluate and take advantage of improvements in infrastructure, and benefit from the incentives of their competitiveness. It will thus be able to offer the SMTEs a 'cut' in measures of customer tourist product, based on individual preferences. Despite These, however, the majority fails to understand evolution, because of lack of purchasing research and understanding of ICT. Therefore, SMTEs must take action to improve their products and distributing them.

In the same time, the tourism distribution channel is arguably the most fundamental, but still on the market under investigation and management of tourism. The variety and flexibility of use shows that the investigation should be extended to several levels, looking at distribution options and agencies promote equitable agreements between two members of the tourism channel distribution.

Also, the redesign of the tourism market and distribution operations as a result of ICT revolution, formatting a wide area of research. The major technologies used by tourism may create incentives for the beginning of an investigation on future developments in the tourism industry.

The success of the innovation is largely dependent upon the accuracy and timeliness of the information it contains. This is a challenge because the tourist information is so specific and variable. Prices, plans, events are changing the days, weeks, months and seasons. Furthermore, tourist products require a complex and thought to describe illustrate the indefinite product to potential buyers. These two

important characteristics to determine the design of electronic purchasing space creates a challenge for designers of these systems. If the service chosen is part of the information availability that is now changing even more, require more frequent updates from their suppliers.

Conclusions

In conclusion, the vision is the key to the success of ICT in a highly competitive tourism industry. SMTEs are likely to use ICT to coordinate distance companies setting up branches and intra-organizational networks. Also, have a fixed degree endo-organizational electronic communication, using technology to take deductions from employees and even to promote their products and unique offers. However, the use of ICT in the tourism distribution channel is very primal in relation to the capacity of emerging technologies and opportunities for streamlining and efficiency secured.

The vast majority of small tourism businesses is hardly used the potential of ICTs and tend to use specialized applications to facilitate only some services such as accounting, payroll and deductions. So, once the business is small, often feel that ICT can not offer sufficient benefits to vindicate the required investment and should be used only by large enterprises. This is also shown by their inability to understand their future needs ICT, as opposed to big companies, which seem to have long-term plans for ICT. For this reason, a global participation so that customers can know precisely the availability and tourism businesses in turn to provide easy, cheap, efficient and reliable confirmation of booking.

The Romanian SMTEs should also find ways in which the use of ICT will make them able to achieve sustained prosperity satisfying their customers to offer them the best experience.

The use of the INTERNET, such as applications in the WWW, is another likely topic for investigation, having revolutionized the concepts of communication and introduces unique opportunities for interaction with business customers.

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