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**THE IMPLEMENTATION OF MARKETING  
STRATEGIES IN TRAVEL AGENCIES' BUSINESS IN  
THE REPUBLIC OF CROATIA**

JEL classification: M19, L83

***Abstract***

*The purpose of this paper refers to research the level of implementation of strategies in the Croatian travel agencies, which also represents a new direction for their development. The possibility to implement strategies referring to intermediaries depends on their area of application, the intensification of certain functions and fields of business and/or transformation of existing ones. Using the methods of explanation and description, based on the analysis of key assumptions so as to select specific strategy, resulting from the elaboration of scientific viewpoints of theoreticians engaged in this field, the first part of the paper defines strategies and related terms. In the second part of the paper the primary research was carried out with the survey method on a sample of travel agencies in the Republic of Croatia, to test the*

*level of strategies implementation. The results of empirical research point to the greater or lesser presence of specific strategies in travel agencies' business whose implementation must comply with business terms according to the policy, i.e. unit's organizational culture, structure – scope, functions, and resource's specific features. The findings point to the dominance of the implementation of marketing strategies in segment that defines the strategy of quality improvements and innovations of tourist products.*

**Key words:** *travel agency, strategy of improving quality, the strategy of the „mass“marketing, strategy of innovation, innovative tools*

## **1. INTRODUCTION**

In the second half of the 20 century phenomenon of tourism has demonstrated its ability to conquest appearances penetrating in the every sphere of life, conquering the spaces of the farthest points in the world. In the mass migration of tourists, tourism policy led a large scale. Low price of products, dictated the increased interest of tourists in the market for this type products. This phenomenon was accumulating additional participants in the tourism market which were conducted by the approach of the requirements for the uniform contents of the conventional products. Such tourists in their interests did not show any shift that could lead to the innovation offers. By creating a new socio-economic assumptions at the pole of tourist demand that has been evident through demographic changes in the market, began the process of market saturation. Decreased interest for the standardized and conventional products influenced on creating of additional space for tourist subjects and intermediaries for the creation of innovative and specific products according which criteria there should be able to estimate the value of competition. It would require new concepts and polices, redefining priorities even strategies to achieve the competitive conditions.

## **2. LITERATURE REVIEW**

Buhalis and Costa have the opinion that the success of the tourism of the future is based on the cohesion and compatibility with the different branches (Buhalis, Costa, 2005, p.28). A central argument for the

future success of tourism is a critical understanding of trends and using their positive effects, while annulment of negative. Fast-growing markets require rapidly growing-oriented strategic management. Strategy can be defined as the determination of the basic long-term goals of the company, as the choice of courses of actions and as the resource allocation needed for the implementation of the goals (Chandler,1966,p.17). The strategy extends its meaning as including a selection of objectives as well as plans to achieve the goals, which determines areas of work and business of the company. Therefore, the "strategy involves a combination of the objectives and purposes, or involves a combination of the objectives and major policies and plans to achieve those goals." (Learned,1965,p.17-18). But the definition of the Stanford Research Institute goes beyond, and equates strategy with the way "how the company, in response to their environment, uses its resources, and how the enterprise focuses its efforts prevalent in order to achieve its purpose" (Learned,1965,p.17-18). Because the mass market has been individualized, in implementing the strategy of diversification travel agents must adapt its programs the specific requirements of the market groups that show similar preferences and the tendency of more homogeneous behaviors while requiring a certain level of the quality.

Internet represents a great opportunity for increase in new business ventures. The technology does not ensure the business development by itself, although it is very important assumption. Technology must serve the function of acquisition competencies based on the perform such as the efficiency of placements, using innovative tools used to penetrate to the market niches.

In the context of an efficient placement, innovations play an important role when communicating with clients and with competitors, so the innovative intermediaries in the tourism industry will be able to redirect resources and competence towards servicing customers and ensure a larger number of transactions. Emphasis must be placed to the reallocation of resources and knowledge to maximize compliance with the requirements of tourists, ensuring added value of achieved transaction (Buhalis, 2000,p. 99).

## **2.1. The Strategy of the „Mass“ marketing**

The strategy of the „mass“ marketing is based on the oldest access to the market under which the company in achieving its aims uses

mass production of one model of product / service, its mass distribution and promoting of the product among all the consumers / customers in a mass market. It is based on the logic of similar preferences of consumers / customer the lowest operating costs, low sales prices, the broadest of the products on the market (Baletić,1995,p.490).

The fundamental characteristics of such tourism is massiveness, with a numerous of participants on trips. According to analysts estimates of the world's tourist movements there are about 3.7 billion people that each year decide on some form of tourist travel. All the above confirms that tourism is one of the biggest, most dynamic, most complex - socio-economic phenomena contemporary times, and one of the main features of modern tourism can be considered its massiveness (Poon,1993,p.164) .

The strategy of the „mass“ marketing, ensuring physically large volume of travel, is based on demand for a simple product and the lower price level of products/services in the tourism industry. The tendencies of changes in priorities and the necessity of subjects to adapt to these changes through the reorientation in implementing the strategy of the „mass“ marketing towards the diversification are evident on tourism market.

The Croatian Competitiveness Initiative has completed the competitive strategy for Croatian tourism cluster. Based on that idea, by the end of the 2008 the mass tourism and on that basis conceived tourist product should have been gradually replaced by the recognizable and individualized products. Considering that the facilities and activities concentrate on specific resources, mostly anthropogenic-attractive, are no depending on the period of the year, nor climatic conditioned, there exists a great potential for initiating to development of certain regions. The possibilities offered within heterogeneous and specific areas could influence on the higher expenditure of tourists and extending the tourist season. The framework of a decentralized system of tourism should be concentrated on achieving of the successful tourism projects that would ensure sustainability rather than „mass“. The role of government should be focused on the integration of the existing projects, the promotion and the impact to the legislation. The tourism policies should be aimed at encouraging of contemporary events that have the higher potential for the global level. Local partnerships of private, public and the civil sector should have the task clustering within, and it could be seen that each participant has a specific task, sharing the purpose of promoting destination (Smeral,1996,p.71).

Using strategies that involve rational attitude to ecological, cultural and historical resources, could affect to the profitability of tourism, reducing the impacts what the mass tourism has caused in destinations, decreasing its attractiveness. Mass tourism, which shows no interest in using the specifics from the area, in a burst of from seasonal migrations of tourists to traditional tourist destinations, through the acculturation and the destructive elements that have been disturbing the natural harmony, the survival of entire tourist destinations have being continuously threatened. In that context observed, declining the tourist, "mass" is the task of the all subjects acting directly or indirectly in the tourism industry.

The extension of the tourist season can be based on the continuity of services and events organized out of season, and considering to the group of resources on which the activities were concentrated, there are no dependencies on the time using the services per season and scheduling the travel (Pavlič,2004,p.221). So, one of the possible ways in which can be avoided massiveness in a negative context refers to the ability of heterogeneous tourism regions and facilities, adapting to the needs of tourists. Some destinations can not rely on leisure type of tourism, based on the natural attractive factors – sea, sand and sun, due to lack of resources suitable for the development of this type of tourism. If there is a possibility it could be advisable the using of advantages of anthropogenic factors. On this basis, the development of tourism of another reverse should be stimulated, such as cultural tourism (Hodgson,1987,p.96).

But an indisputable fact related to the beginning of tourism development is based on the effects of mass tourism, involvement of people in migration directed to more distant destinations, in searching for experiences with an attempt in striving for fulfilling their needs. This represented further incentive to intermediaries, which recognize its developmental chance in the interests of large masses of travelers interested in the benefits resulting from the organized modes of travel and the convenient use of travel packages. Their loyalty to the subject is not only reflected in choosing of standardized program, but through the diversified selection of the product acceptable for the new conditions and new interests.

## **2.2. The Strategy of Diversification and the Strategy of the Market Segmentation**

The concentration of tourism demand, its specific form of the appearances on tourism market makes strain to the tourism supply (Vukonic,1998,p.48). "Classical mass production" replaces "mass production adapted to the individual customer," whereby producers must design the specific products according to the customers' specific interests. This claim sets further test to those entities of intermediaries who have its fundamental business philosophy, based themselves on the economics of scales. From the other side, the specific interests encourage creating the new market niches deepening differences between similar products. How to adapt to the environment, at the same time maximizing its opportunities in placement the products, represent the key issues of survival intermediaries in the competitive market conditions. The decision making process is difficult due to competition as well as great possibilities distinguishing among similar products intended to target market groups. Customization of placements of the products to such changes smoothly dictated by the market, tinting of characteristics of the product that is the recommendation to adaptive process, complicate the position of the market subjects in competitive conditions, while challenging the continuously growing of global "international players", and dictating the rules, as well as the quantitative increasing number of participants i.e. travelers whose cyclical movements to destinations throughout the year have the forms of "true migrations". Based on the Ansoff approach (Baletić,1995,p.136), business conditions are defined on the basis of the criterias that focus around three key categories: markets and products, and relationships between participants that determine actions and the direction of developmental strategies.

*Terminological distinction between the concepts of diversification regarding the categories of analysis*

Diversification of products related to "decision or commitment of enterprises to seek business opportunities outside the existing business," (Baletić,1995,p.137) is based on the specific relationship and connection between the participants, markets and products. The diversification can be implemented according to the elements that do not relate to the product or the market, but derive from the corresponding specific relationships.

The diversification of tourism products and services is oriented primarily toward the development of new tourism products and services in

emerging markets, or in existing with the emphasis on horizontal diversification of products. In this way the company its activities and contents of services focuses on improving its quality making them complementary in combination attractiveness of ambience in tourism destinations to boost competitiveness. Therefore, the possible diversification objectives are to increase the quality of services, the number of new products and services, increase revenue service providers, including increasing the share of tourists characterized by medium to high socioeconomic profile (Magaš,1996,p.49). The strategy of diversification in tourism industry represents one of possible ways of overcoming the mass tourism. That implies the implementation the strategy of segmentation with the parallel combination of the same to the strategy of diversification. Changes that are transparent, such as trends within the target groups and market niches, belonging to social and demographic groups in the meantime has been shown as "too rigidly" classification characteristic in tourism market, although the trends recorded in specific market segments such as the aging of the population, as the reflection of the demographic changes, could not be ignored. Market is decomposed into sub-groups that have been defined by lifestyle, personal preferences, needs and circumstances (Clemons,Hann,Hitt,2002,p.541).

**The strategy of diversification as a developmental strategy** is applied in a situation of restricted growth rates in the existing business and the current market, or do not meet the interests of the capital investment. Regarding the diversification of tourism products it is evident that the development of difference assortment, that subjects offer trying to customize needs of diverse segments on the tourism market, is actually in order to stimulate further interest customers realizing circulation and to ensure growth of companies - subjects in the tourism industry. Greatest potential for market growth indicate just all types of of specialized, thematic tourism offer.(Kenny,2009,p.124)

Activities and events are associated with the resources of a specific area that contain the values compared to the rich cultural and historical monuments and heritage value. But even within such a specific market segment that shows interest in this type of tourism, it evident the process of its subdivision to additional subgroups, which implies the ability for further specialization of activities and operations. More recently the so-called creative and hobby tourism have being developed. Features of this form of tourism lie in creative dimension of contents specialized according to specific interest groups. Facilities based on new types of tourism such as the hobby tourism can be realized throughout most of the

year, regardless of the season. Completeness of its usefulness is implemented through the assumption of higher returns, satisfying the specific needs of tourists, the achievement of individual approach to every visitor (Richards,1997,p.79).

Travel agencies have recognized this trend in a way that encourages the continuous development of the product, evident through the shift in the evolutionary concept of typical travel packages from standardized to those specialized. Course of transformation is based on the distinction between facilities of travel packages from the uniform - standardized travel packages from half of the 20th century, where dominated the passive type of holidays based on the complementarities of resources such as sun, sea and sand, until the moment when the technological capabilities create a framework for the development of new shapes and appearances, creating the specific innovative travel packages, at the same time based on new travel motives when an additional interest of the individual finds itself and the affinity comes into play. In such conditions, travel agencies and subjects of tourist offer recognize the additional interests.

As the "mass market individualizes" in the implementation of strategy of diversification which is based on previous assumptions, travel agencies as well as other providers in destination should be more specific and acceptable to the market niches that would within framework of its behavior show similar preferences and tendency to more homogeneous behavior while requiring a certain level of service quality. This implies the implementation **the strategy of the market segmentation** and its combination with the strategy of diversification. Additional value of segmentation strategy is expressed at the level of destinations through the adaptation of certain products of specific facilities providers to the categories of consumer preferences in the target markets whose specific request have a growing need for product based on the diversity substantive that are based on the assumption of the natural diversification of space. On that basis, in the terms of globalization through tourist demand and supply it has been shaped up advantageous market strategy in order to achieve an acceptable market position for participants.

### **2.3. The Strategy of Improving Product Quality**

In order to explain in more detail the definitions special emphasis on its measurement needs to be put. Service Quality is measured, subjectively, by levels of consumer satisfaction in relation both to individual products and the overall tourism experience. In order of satisfaction of consumers' interests within certain market segment looking for more specific products and services, the company tends to specialize business activities. The role of the strategy of improving product quality is crucial. Relevant indicators of quality levels may vary from product to product, but in general the following information will need to be available for analysis: visitor surveys, visitor trends, purchasing trends, complaints, feedback. There will also be a need for benchmarking with similar products. Quality is not to be equated to luxury. It is a long-term process linked to credibility and image and must address all concerns of the tourist. Specially it is related with the concept of value for money, but not only comfort and price, but a global scope with other issues such as sustainability, safety and security, for example. The tourist product can be defined as the destination and process resulting in the consumer's overall experience. Tourist resources can be differentiated from tourist products in terms of commercialisation. The tourist experience covers a wide range of products of the tourist industry. Indicative examples are transport (charter and shuttle transportation, means of transportation by water, air, or land), tours (package, guided...), food and accommodation (hotels, inns, apartments, apartment hotels, camping sites, rural houses, restaurants), entertainment (adventure sports, animation services...) and services. The Quality System is a set of methodologies, standards and tools that allow companies and business to improve both quality management and/or the level of service provided (Nadkarni, Peng, 2001). Regarding the competition in turbulent condition of management, the implementation of this strategy in the framework of business of travel agencies seems being unavoidable. It is applicable at the level of internal marketing, the relationships between the employees, the quality of employee rewards including certification regarding the operations and **the quality of services.**

## **2.4 The Strategy of Innovation**

The impact of modern technology are analyzed through the aspects of: technological innovation, the impact of technological innovations on travel consumers and the tourism demand, the impact of technological innovations on the business (Buhalis, Law, 2008, p.608). Technological advances and tourism have been closely connected. Both areas have recorded exponential growth in the last 50 years (Poon, 1993, p.62). Information and communication technology has influenced the global progress and the tourism development. Development of tourism has changed the practice of businesses and developmental strategies (Porter, 2001, p.68). At the same time, the following new systems has dramatically changed the tactical and strategic business operations: CRS, Global Distribution System and Internet (Buhalis, 2003, p.98). Innovation in e tourism industry represents implementation of new - improved ideas, procedures, goods, services and processes that give rise to the new dimension of benefits and quality. It is defined as the new method of production of known goods or the detection and producing the new product types or market launching of new generating combination of products. The innovation is the manifestation of technological progress and of modern computerized progress (Buhalis, 2003, p.322). Strategy of innovation in the tourism industry involves achieving more recognisability to create a better market position based on business methods and contents of products that are created for this purpose. It is possible to achieve several goals, such as increased traffic, revenues, and average spending per tourist (Aldaberta, Dangb, Longhib, 2011, p.1209). It is important to continuously encourage innovation of products and services, which includes the direction of activities focused on new products and / or services, or to existing products and / or services. The main effects resulting from the impact of globalization on tourism have the emphasis on innovation, specialization and on the higher quality of products and services. Innovations in tourism industry indicate the assumption for achieving the possibility for holding positions on the local as well as the global market. Innovations have the key partnership in the economic development in the future. Considering the specificity of processes and methods, it is important to introduce the innovations as the basis for designing of tourism products and for achieving competitiveness not reserved just for large but also for small and medium enterprises in the tourism.

Strategy of innovation in tourism industry aims to highlight the quality and innovative programs and the systematic incentives to those entities that offer or aimed at offering different tourist facilities, services or products (Hjalager,2002,p.468). It clearly shows that a new way of thinking through the adaptation to the rapid changes within the dynamic tourist market, represent the basis of success of enterprises that will keep the advantage or achieve it in the future over its competitors through the various areas of business, from the financial management to the process of service delivery and development of product brands (Hjalager,2010,p.4).

### **3. THE METHODOLOGY OF RESEARCH**

The distinction of travel agencies is a result of the logical consequences of developing conditions in the market. This is directly related to the position of travel agencies, their characteristics, the dominant functions that is based on the content of the majority of its business, and the specific content of the activities performed by underlying agencies. The delimitations has been taken into the account the accordance with scope of activities, types of ownership, organizational structure, mode of occurrence in the market, and the predominance of elements that dominate the business of some travel agency.

Preliminary research has been conducted in the Republic of Croatia in order to study the level of implementation of new strategies in business operations of travel agencies considering the specifics of its business adapt to the demands of the requirements of specialization of activities. In the original empirical research, questionnaire was used to obtain results as response to questions:

- **on the role of implementation of the adequate strategy in business operations of travel agencies considering the specifics of its business adapt to the demands of the requirements of specialization of activities,**
- **on the data sources used by managers when choosing a strategy for specialization of business in travel agencies,**
- **on the attitudes of managers, reflecting on the possibilities of the process of specialization on the business of travel agencies,**

The survey encompasses travel agencies according to the following: region (Continental Croatia, Istria and Primorje, Dalmatia), dominant business function (organizational, intermediary), business type (emitting or initiative, receptive, emitting – receptive), business activity (wholesale, retail), organizational structure (without or with a branch network), and the manner of occurrence in the tourist market (independent, dependent).

*Selection framework* contains a list of target population members, and it is usually in the form of lists and databases. Sampled travel agencies were selected from the Croatia company directory of the Croatian Chamber of Economy, available on the website <http://www1.biznet.hr/HgkWeb/do/extlogon>. In June 2010 we found 1350 business entities whose primary activity is intermediation in tourism (NACE 79 Travel agency, tour operator and other reservation services and related activities).

*Random sample* is drawn from defined selection framework. By means of random number generator 200 travel agencies were selected, companies were contacted by phone so as to verify their primary activity, and willingness to participate in the survey. With regard to different features of travel agencies participating in the survey it can be concluded that their selection was representative. Results from the survey sample can be considered adequate for making relevant conclusions.

#### **4. RESULTS OF THE RESEARCH**

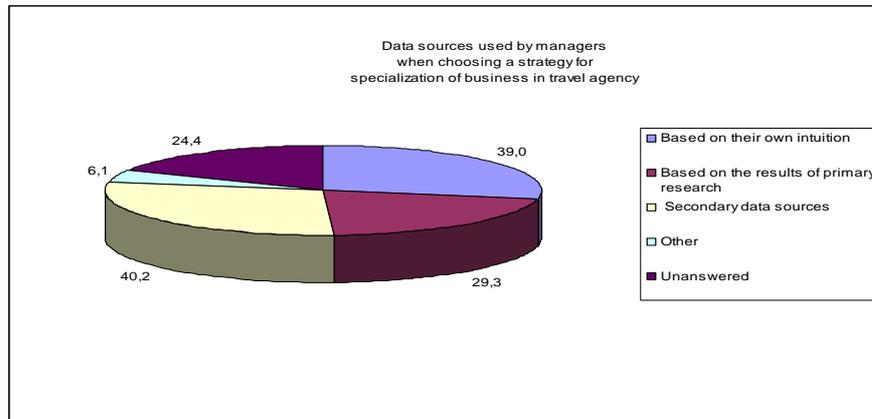
Respondents were asked to choose the sources of information on which they had been based selection of the strategy of specialization. The activities of travel agencies and operations have been based through the adaptation to the latest market trends and to structural changes. Results give evidence that 39% of respondents was joined the responses on their own intuition, which is an enviable level of the percentage through the level of specialization that could have an impact on the quality of services of organizing trips or intermediary services within the framework of travel agencies in Croatia. Table 1 shows that about 40% of the respondents used secondary data sources, such as statistical yearbooks, publications and other printed annual reports. Due to the cost of negative possibilities of obtaining primary data sources, just 29% of the respondents used that sources.

Table 1 Data sources used by managers when choosing a strategy for specialization of business in travel agency

| <b>Data sources used by managers<br/>when choosing a strategy for<br/>specialization of business in travel agency</b> |                  |                  |
|---|------------------|------------------|
|   | <b>Frequency</b> | <b>Percent %</b> |
| <b>Based on their own intuition</b>   | 32               | 39,0             |
| <b>Based on the results of primary research</b>   | 24               | 29,3             |
| <b>Secondary data sources</b>   | 33               | 40,2             |
| <b>Other</b>  | 5                | 6,1              |
| <b>Unanswered</b>   | 20               | 24,4             |

*Source: Opinion poll conducted on the sample of the travel agencies in the Republic of Croatia, September 2010; field analyses by the authors*

Graph 1 Data sources used by managers when choosing a strategy for specialization of business in travel agencies



Source: Opinion poll conducted on the sample of the travel agencies in the Republic of Croatia, September 2010; field analyses by the authors

In relation to the attitudes of managers reflecting on the possibilities of specialization on the business with emphasis on the organization of the functions and the main areas of activities within the travel agencies, travel agencies' board of directors mostly answered, so in that way concentrated their responds (57%), that possibilities of specialization on the business should be focused through the need for creation of new forms of travel packages. 43% of respondents answered that the possibilities of specialization on the business should be focused through feature of innovative forms of placement of individual services, which was highlighted in the Table no. 2.

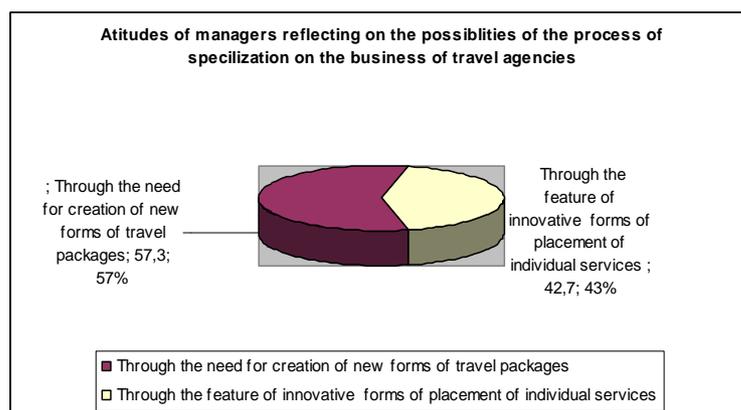
These are very interesting data with emphasis on necessity of implementing different approaches to the concept, moving away from the stereotype of ready-made and standardized forms of placement. Since the transformation of business of travel agencies has been mostly felt in the area of the placement of products and services, i.e. packages, the implementation of the strategy of innovation represents a necessary step to meet new trends in the behavior of consumers with new criteria for market access in evaluating the quality of service and product.

Table 2. Attitudes of managers reflecting on the possibilities of the process of specialization on the business of travel agencies

| <b>Attitudes of managers reflecting on the possibilities of the process of specialization on the business of travel agencies</b> |                  |                  |
|--|------------------|------------------|
|  | <b>Frequency</b> | <b>Percent %</b> |
| <b>Through the need for creation of new forms of travel packages</b>   | 47               | 57               |
| <b>Through the feature of innovative forms of placement of individual services</b>   | 35               | 43               |
| <b>Total</b>   | 82               | 100              |

Source: Opinion poll conducted on the sample of the travel agencies in the Republic of Croatia, September 2010; field analyses by the authors

Graph 2 Attitudes of managers reflecting on the possibilities of the process of specialization on the business of travel agencies



Source: Opinion poll conducted on the sample of the travel agencies in the Republic of Croatia, September 2010; field analyses by the authors

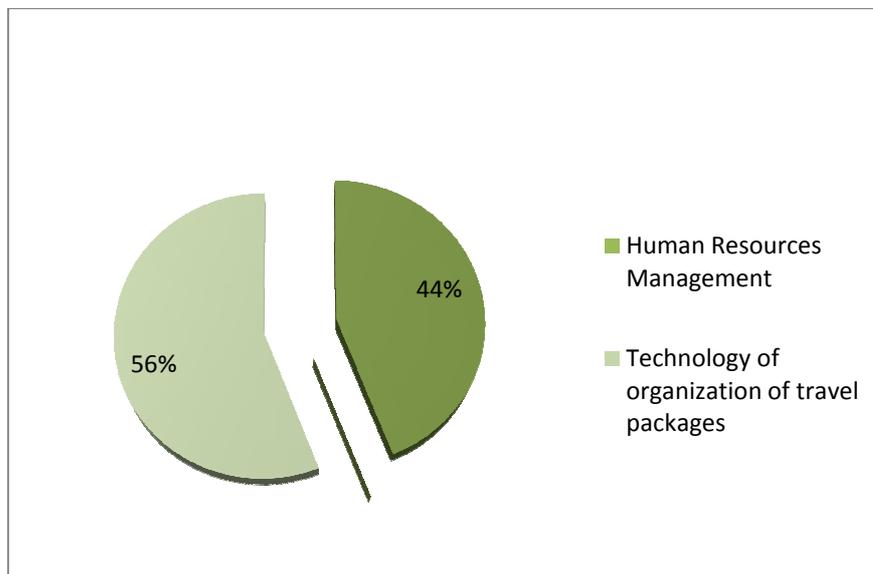
In responses relating to the most intensive impact of specialization activities within travel agencies, the most part of respondents (46%) points that the areas to be felt the most intensive impact of specialization activities of travel agencies refers to the area of technology of organization of travel packages, using innovative tools, and the area where the impact of specialization influences through the necessity for specialized, highly skilled and educated personnel (44%). Table no. 3. shows the data that support the importance of distinguished resources and the areas on which have been concentrating the functions and activities in the travel agencies. Also suggest on the complementarities of values of the resource of technology and human resources, crucial for specialization of business and the success of the company in the future.

Table 3 Areas to be felt the most intensive impact of specialization activities of travel agencies

| Areas to be felt the most intensive impact of specialization activities of travel agencies |   | Frequency | Percent |
|--|---|-----------|---------|
| <b>Valid</b>   | Human Resources Management                    | 36        | 44      |
|  | Technology of organization of travel packages | 46        | 56      |
| <b>Total</b>   |   | <b>82</b> | 100     |

*Source: Opinion poll conducted on the sample of the travel agencies in the Republic of Croatia, September 2010; field analyses by the authors*

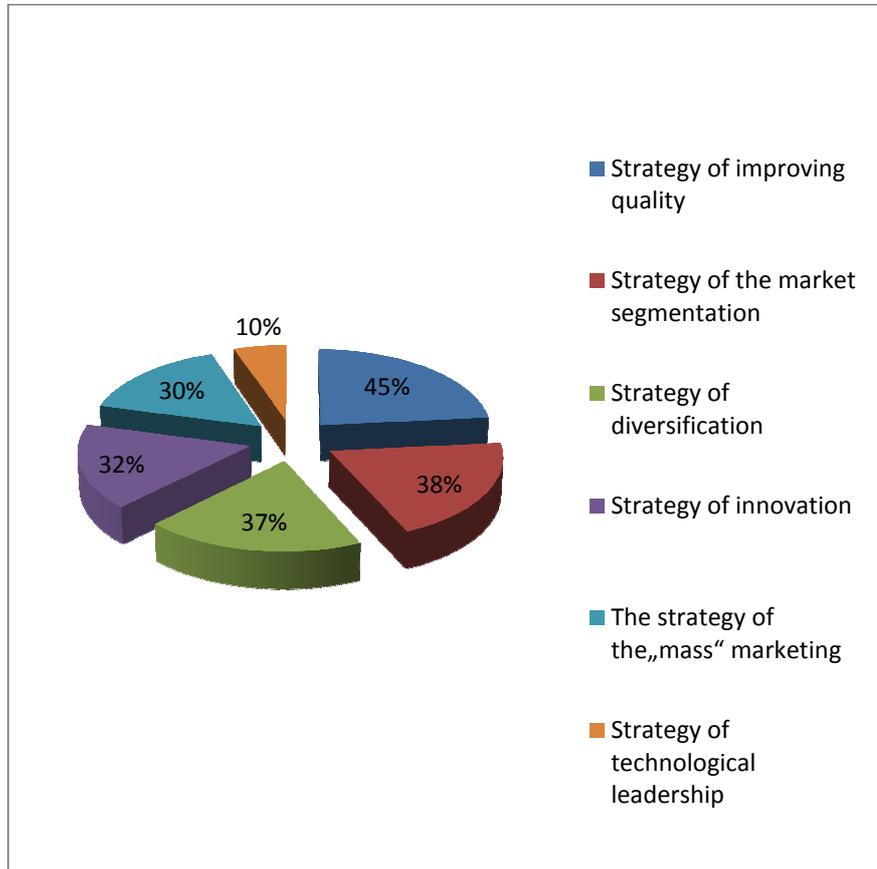
Graph 3 Areas to be felt the most intensive impact of specialization activities of travel agencies



*Source: Opinion poll conducted on the sample of the travel agencies in the Republic of Croatia, September 2010; field analyses by the authors*

Respondents were asked to evaluate which strategies had been used in the business in order to adapt to the requirements of business specialization. The following answers had been offered to them: the strategy of improving product quality, the strategy of market segmentation - market niche strategy, Differentiated marketing strategy, the strategy of innovation, the „mass“ strategy and the strategy of technological leadership (Graph 4). Respecting this question respondents had the opportunity to respond with more than one answer.

Graph 4 The level of implementation of certain strategies in the Croatian travel agencies applied in the business for the purpose of adaptation to the requirements of business specialization



*Source: Opinion poll conducted on the sample of the travel agencies in the Republic of Croatia, September 2010; field analyses by the authors*

Table 4 shows the characteristics of travel agencies considering new strategies used in the business in order to adapt to the requirements of business specialization. More often than the average of Croatian travel agencies, considering the significance of the use of the three main strategies (strategies of improving quality, differentiated marketing

strategy and the strategy of segmentation) refers to travel agencies from continental Croatia, the agency is privately owned, in which framework of business is evident predominance of organizational functions of travel agencies, agencies-emitting Initiative character, that are dependent.

Table 4 Characteristics of travel agencies considering the attitude on the implementation of new strategies that are being used in business activities

|  |   | Strate<br>gy of<br>impro<br>ving<br>quality | Strate<br>gy of<br>the<br>marke<br>t<br>segme<br>ntation | Strate<br>gy of<br>diversi<br>ficatio<br>n | Strate<br>gy of<br>innova<br>tion | The<br>strateg<br>y of<br>the „m<br>ass“<br>marke<br>-ting | Strate<br>gy of<br>techno<br>-<br>logical<br>leaders<br>hip | N  | %    |
|--|---|---|--|--|-----------------------------------|--|---|----|------|
| <b>TOTAL</b>   |   | 45%   | 38%  | 37%  | 32%                               | 30%  | 10%   | 82 | 100% |
| <b>REG<br/>ION</b>                                       | <b>Conti<br/>nenta<br/>l<br/>Croa<br/>tia</b> | 56%   | 44%  | 50%  | 38%                               | 31%  | 16%   | 32 | 39%  |
|  | <b>Istria<br/>and<br/>Prim<br/>orje</b>       | 27%   | 36%  | 27%  | 18%                               | 36%  | 9%  | 11 | 13%  |
|  | <b>Dalm<br/>atia</b>                          | 41%   | 33%  | 28%  | 31%                               | 28%  | 5%  | 39 | 48%  |
| <b>TYP<br/>E OF<br/>OW<br/>NER<br/>SHIP</b>              | <b>Priva<br/>te<br/>owne<br/>rship</b>        | 54%   | 42%  | 50%  | 44%                               | 33%  | 13%   | 48 | 59%  |
|  | <b>State<br/>owne<br/>rship</b>               | 32%   | 32%  | 18%  | 15%                               | 26%  | 6%  | 34 | 41%  |
| <b>PRE<br/>DOM<br/>INA<br/>NT<br/>FUN<br/>CTI<br/>ON</b> | <b>Orga<br/>nizati<br/>onal</b>               | 50%   | 42%  | 48%  | 42%                               | 33%  | 13%   | 48 | 59%  |
|  | <b>Inter<br/>medi<br/>ary</b>                 | 38%   | 32%  | 21%  | 18%                               | 26%  | 6%  | 34 | 41%  |
| <b>CHA</b>   | <b>Outg</b>                                   | 60%   | 50%  | 50%  | 50%                               | 30%  | 10%   | 10 | 12%  |

|  |   |     |     |     |      |     |      |    |     |
|--|---|-----|-----|-----|------|-----|------|----|-----|
| <b>RAC<br/>TERI<br/>STIC<br/>S OF<br/>BUSI<br/>NES<br/>S</b>                                   | <b>oing/<br/>Initia<br/>tive</b>                |     |     |     |      |     |      |    |     |
|  | <b>Rece<br/>ptive</b>                           | 26% | 26% | 23% | 26%  | 29% | 10%  | 31 | 38% |
|  | <b>Outg<br/>oing -</b>                          | 56% | 44% | 44% | 32%  | 32% | 10%  | 41 | 50% |
|  | <b>recep<br/>tive</b>                           |     |     |     |      |     |      |    |     |
| <b>OBJ<br/>ECT<br/>OF<br/>THE<br/>BUSI<br/>NES<br/>S</b>                                       | <b>Whol<br/>esale</b>                           | 50% | 50% | 50% | 100% | 50% | 100% | 2  | 2%  |
|  | <b>Retai<br/>l</b>                              | 36% | 27% | 21% | 18%  | 36% | 6%   | 33 | 40% |
|  | <b>Whol<br/>esale<br/>-<br/>retail</b>          | 51% | 45% | 47% | 38%  | 26% | 9%   | 47 | 57% |
| <b>ORG<br/>ANI<br/>ZATI<br/>ONA<br/>L<br/>STR<br/>UCT<br/>URE</b>                              | <b>With<br/>out<br/>office<br/>netw<br/>ork</b> | 45% | 35% | 32% | 29%  | 31% | 11%  | 62 | 76% |
|  | <b>With<br/>office<br/>netw<br/>ork</b>         | 45% | 45% | 50% | 40%  | 30% | 5%   | 20 | 24% |
| <b>THE<br/>WAY<br/>S OF<br/>PRE<br/>SEN<br/>TIN<br/>G<br/>ON<br/>THE<br/>MAR<br/>KET<br/>S</b> | <b>Inde<br/>pend<br/>ent</b>                    | 44% | 39% | 35% | 32%  | 29% | 10%  | 79 | 96% |
|  | <b>Depe<br/>ndent</b>                           | 67% |     | 67% | 33%  | 67% |      | 3  | 4%  |

*Source: Opinion poll conducted on the sample of the travel agencies in the Republic of Croatia, September 2010; field analyses by the authors*

The most part of respondents (45%) points the use strategy of improving product quality in order to adapt to market demands, (38%) respondents stated the use of the strategy of segmentation, and in the same time the differentiated marketing strategy (37%). One third of respondents stated the strategy of innovation (32%) and the „mass strategy“ (30%). Only one tenth of respondents point the significant strategy of technological leadership (10%) as an adequate tool for adaptation to the requirements of business specialization.

The results point out the significance of the implementation of the marketing strategy that defines the strategy of quality improvements and innovations of tourist products. The significance of the implementation of the prominent strategies suggesting signs the development of activities of travel agencies in the Republic of Croatia.

#### **4. CONCLUSION**

In the future travel agencies will be developed depending on the capabilities and in accord with changes in the environment, changes in the tourism market, on which to adopt its business activities, but also emphasize the importance of intensifying efforts in the field of relations that produce the required services with the label more or less „standardized products“ and requested tourist products containing a higher or lower level of specificity.

Respondents as those in leadership positions in the travel agencies at the national level to implement this level of prominent strategy speaks of understanding the meaning of each individual strategy and serious approach to the analysis of trends and changes in the environment which are transferred to their own business concept most transparent through the creation of high quality distinctive tourist product (packages), in accordance with their specific interests and expectations of market segments. In the future we can expect a further course of evolution, development - business travel agencies based on intensifying changes in three main directions: improving the quality, the use of niche markets and diversification. Travel agencies will increasingly improve the quality of

their products, but they will at the same time adapt to the specific needs of individual markets. The agency will seek to achieve its activities that produces as much different from other competitors. Such activities increases customer loyalty tourists travel agencies, ensuring the maintenance of a fixed base of tourists that guarantee a stable operation.

The phenomenon of tourism is based on the inclusion of the mass of passengers in tourist traffic directed to a distant destination, and it is indisputable fact about being based on social and development assumptions, intermediary market played an important role integrator interests of tourism and tourism demand . This represented a further incentive to mediation, which recognizes the opportunity for development in the interests of large enough mass of tourists interested in the benefits arising from organized modes of travel and the benefits of using travel arrangements. Such a mass of tourists continues the tradition of this kind of choice of travel, but whose loyalty agent today not only reflected in the selection of a standardized program, but much more, through diversified selection of products eligible for the new conditions and new interests.

The results of this research point out the significance of the implementation of the marketing strategy that defines the strategy of tourist product modification and within this the importance of the strategy of quality improvements and innovations of tourist products. The significance of the implementation of the prominent strategies suggesting signs the development of activities of travel agencies in the Republic of Croatia.

Success of the strategy of innovation is based on creativity and developing new products and services in accordance with the interests of the tourism demand. ICT encourages continuous innovation in tourism enabling economic operators more efficient operations and competitive advantage.

The complementary role of ICT in an effective business operations and activities of the travel agencies is supported by the attitudes of numerous theorists in the field of tourism, some of which also clearly indicate that ICT has provided tourists easier and faster access to the services and these characteristics such as availability of access services occupy an increasingly important role in the perception of tourists in decision-making process (Williams, Shaw, 2011, p.32).

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