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The impact of electronic distribution channels on the tour operators market in Poland

Abstract: On the basis of secondary analysis of data from the Polish market of e-commerce, we have made an attempt to verify a working hypothesis concerning achieving competitive advantage by tour operators who actively apply the electronic distribution channels. After having described the structure of the Polish tour operator market, we carried out research of tourism services sale on the market of e-commerce. We marked out the distribution channels B2B that streamline cooperation between tour operators and agents, as well as between providers and agents –that is an effect of diminishing barriers of entering for new companies. We also distinguished the distribution channels B2C providers (being a result of an increase of their bargaining power) as well as tour operators (through their own reservation website, e-shops or other forms of advanced technology application). Moreover, we emphasised the role of e-commerce in achieving competitive advantage by diversification of an offer or through a better market segmentation.

Keywords: tour operator, information technologies, competitiveness, competitive advantage, electronic distribution channels, e-commerce platformer.

JEL code: L2.

1. Introduction

In this paper we characterise the market of tourism organisers and intermediaries in Poland and analyse the role of information technology in the process of tourism services distribution. The aim is to establish the impact of electronic distribution systems on companies' competitive advantage in the marketplace, understood as the ability to generate above-average earnings relative to the sector. Competitive advantage is achieved through creating a new value in the market, invariably as a result of some kind of innovation – in product, technology, or organisation (Obłój, 2002).

Competitive advantage – according to familiar theories (Porter, 1992) – can be achieved by focusing on costs, prices, quality (seen as a degree of product differentiation among competitive offers), and market concentration. These objectives must be closer examined in the context of recent information technology advances (Hamel, 2000). IT-s are defined as the collective term given to the most recent developments in the mode (electronic) and the mechanisms computers and communication technologies used for the acquisition, processing analysis, storage, retrieval, dissemination and application of information (Poon A., 1993). At the microeconomic level IT-s permeate all functions of strategic and operational management and impel competitiveness of enterprises (Buhalis, 1998).

The rapid development of information technology has a great impact on structural changes in the tourism sector, particularly affecting the roles of tour operators and tourist agents. It is emphasised that electronic distribution in tourism „is the main factor affecting the competitiveness of all tourist intermediates. New e -Mediaries (e.g. on-line travel agents, portals) in the electronic distribution market challenge traditional e-Mediaries (e.g. GDS-s and Viewdata) as they gradually penetrate the market place, gain direct access to customers and intensify their market share" (Buhalis, Licata, 2002). Beside already "traditional" technologies such as GDS, Viewdata, Teletext, and Internet, new technologies are being introduced that will revolutionize electronic distribution channels. These include IDTV (Interactive Digital Television Distribution), mobile, and m-commerce distribution, collectively known as the e-platform.

For the needs of the following article two presentations of e-commerce definition were adopted: a wider one and a narrower one. The former was set in 1999 by the Organization for Economic Co-operation and Development and described e-commerce as 'The conducting of business over open networks with unencrypted protocols, such as the Internet'. The latter was also set in 1999 by the British Department of Trade and Industry and specified e-commerce as 'The sale of goods and services, at any stage of delivery chain, between economic subjects, between subjects and individual customer or between public and private (commercial) sectors'.

Under these circumstances travel agents must to some extent give up their traditional role of sales people and assume the role of consultants who – given their experience – have the ability to suggest a suitable product and help the customer choose the best package from a range of propositions, thus creating an added value to the tour operator's offer. This particularly concerns such market segments as convention and conference tourism, business travel, and also staff integration and motivation tourism.

The introduction of state of the art information technology can dramatically change a tour operator's strategic position in the market. With enhanced flexibility and convenience of offered products, a better penetration of the market, reduction of product distribution costs, increased consumer interaction, and finally globalization of the offered product, tourism firms can improve their productivity and engage in vertical and horizontal integration of the market. A vertical integration aims at gaining control over the entire process of value creation and allows retention of profits in the group. In the case of tour operator services vertical integration involves the following:

contracting service suppliers → market research → offer construction →
→ offer selling → marketing and consultancy.

The goal of horizontal integration is to gain a dominant position within one's own industry segment (among other tour operators). The benefits similar to vertical integration can be achieved through business process reengineering which is not directed at cost cutting alone, but primarily focuses on the revenue side. This may require the introduction of new products, creation of new markets, and a flexible adjustment to market requirements (Lobejko, 2004). All this can be achieved owing to phenomenal advances in information technology, and telecommunications equipment and systems. These advances have opened up the possibility of virtual business activity and enabled the establishment of virtual companies. Virtual companies can focus on one type of activity and at the same time extend their geographic reach, increase the speed of customer service and reaction to market changes, and expand partnership relations in the design of new products (collaboration with service suppliers, sharing new technology).

Bearing all this in mind we have examined the extent to which electronic channels of distribution are utilised by tour operators in Poland, and analysed the impact of this modern technology on competitiveness of such firms. In the course of this paper we will attempt to answer the following questions:

1. To what extent do market leaders use electronic channels of distribution?
2. How advanced is the implementation of new technologies enabling utilisation of electronic channels of distribution?
3. What are the effects in terms of competitive position of firms that take advantage of these new technologies (vertical and horizontal integration, increased earnings and market share, virtualisation of companies, reengineering)?

2. Sources of information

This paper's hypotheses postulating competitive advantage of those tour operators that extensively use electronic channels of distribution will be tested through the secondary analysis of data collected in a number of surveys conducted in the period 2001 – 2004 to measure the scope of electronic trade in Poland. These surveys include:

1. “E-commerce – evaluation and development projections for markets in Poland, Western Europe and the USA”, Money.pl; 2005
2. “Tourism activity of Internet users in the period 1 January 2003 to 30 April 2004”, StatTour.net; 2004
3. “Tourism activity of Internet users in the period 1 May 2004 to 31 October 2004”, StatTour.net; 2005
4. “Winter holidays of our customers, January – March 2005”, Wakacje.pl; 2005
5. “Holidays of Polish Internet users, May – September 2005”, Wakacje.pl; 2005
6. “Tourism on the Internet. Autumn – Winter 2004”, Gemius S.A; 2004
7. “ Internet & Mobile 2003”; IAB Polska; 2004
8. “Internet & Mobile 2004”; IAB Polska; 2005
9. “Electronic economy in Poland; Report 2002”; ILiM; 2003
10. “Travel of Internet users – Report No. I: 2001 – 2002” Travelplanet.pl; 2003
11. “Travel of Internet users – Report No.III: 2002 – 2004” Travelplanet.pl; 2005
12. “Travel of Internet users – Report No.IV: 2002 – 2005” Travelplanet.pl; 2006
13. “Websites of Polish travel agencies”, Overnet Interactive Agency; 2002
14. “B2C eTrade in Poland”; I-Metria S.A.; 2003
15. “Polish eTrade – profits or losses?”; I-Metria S.A.; 2003
16. ”Holiday plans of Internet users”; Gemius S.A; 2004
17. “Utilisation of information and telecommunication technologies in business and at home in 2004”, GUS (Central Statistical Office); 2005
18. “Ranking of Megapanel websites”; Gemius S.A.; 2005
19. “Travel Agents Market in Poland”, IT. MGPiPS; 2003

We have analysed a broad range of indicators describing e-commerce market for tourism services. Given the secondary data, this has resulted in the enlargement of the sample, its increased representativeness, and a greater number of observations, leading to wide-ranging conclusions as evidenced by working hypotheses stated in the course of this paper and illustrated by data derived by inductive analysis.

Obviously, the biggest problem of the secondary data analysis is that the processed data only approximate the information which should be used in the testing of stated hypotheses. For that reason the authors treat this paper as a prelude to primary research on a full sample of Internet-using tour operators.

3. The market structure of Polish tourism organisers and intermediaries

The Central Register of Tourism Organisers and Intermediaries in Poland contains 2606 entries (as of 29 March 2006)[1], of which most are firms operating both as

[1] http://www.turystyka.crz.mg.gov.pl.

tourism organisers and intermediaries, offering tourist events primarily in Poland and Europe.

The number of business units operating in the Polish tourism market declines from year to year. Liquidation affects mainly small, undercapitalised firms which cannot withstand a growing market competition from large international operators (TUI, Neckerman), and are not able to meet increased costs of business insurance. Assuming that 33% of people travelling abroad in 2005 used the services of tourism organisers and intermediaries, this yields a figure of 1.4 million customers in the outbound tourism segment. The corresponding figure for domestic tourism, where only 15% of tourists might have used the services of travel agencies, is 2.3 million clients[2].

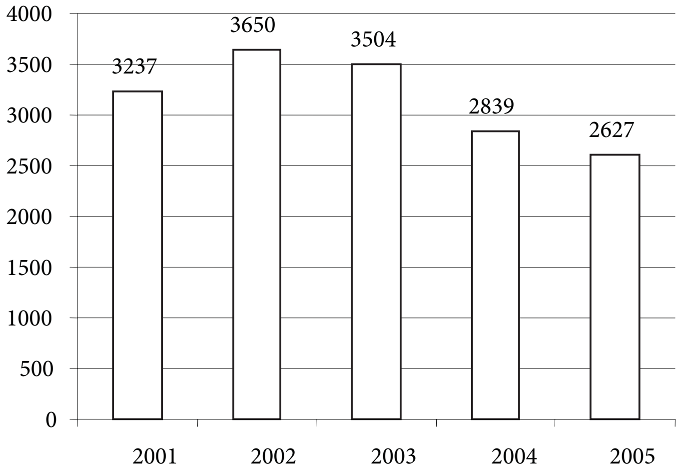

Figure 1. The number of tourism organisers and intermediaries in the period 2001–2005

Source: Ministry of Economy, Department of Tourism, 12 December 2005

The market of domestic tourism organisers in Poland is very fragmented. The only travel company with a sizeable market share is PBP Orbis, ranked among ten biggest tour operators out of over 2.6 thousand firms active in the market[3]. The international outbound tourism, however, is much more consolidated: the top ten tour operators (data from 2005) collectively have about 600 thousand clients and a 43% share in the overall turnover in the segment of outbound travel. By comparison, in Western Europe the ten biggest tourism concerns in 2004 had a market share of 71%[4].

[2] Ministry of Economy, Institute of Tourism – Domestic and foreign travel of Poles from January to August 2005.

[3] TOP 10 2005-the ranking list of the biggest tour operators, Wiadomości Turystyczne.

[4] ICT and Electronic Business in the Tourism Industry, European Commission, 2005.

In line with worldwide trends, the tourism market in Poland is subject to consolidation processes and globalisation of sales networks. Market consolidation can take the form of horizontal integration, where a merger is effected between companies having the same business profiles (tour operators merge with tour operators, airlines with airlines), or vertical integration, where a merger concerns businesses of different but complementary profiles (such as tour operators and hotel or restaurant chains, tour operators and airlines, or even tour operators and banks). An example of market consolidation was a letter of intent signed by ten Polish tour operators in 2003 which resulted in the establishment of a new chain of travel agencies under the brand name Alians, co-operating with International Travel Partnership – a leading consortium for worldwide business travel. The aim was to implement a common policy for the development of member companies and to gain competitive advantage in the market. Another example of consolidation was a merger effected in 2004 between two leading tour operators in Poland: TUI and Scan Holidays. An example of vertical integration is the purchase by Carlson – owner of the TV channel "Podróże TV" – of Open Travel agency, and merging that company with PES TRAVEL. The merger resulted in the establishment of a new entity under the business name OPEN TRAVEL GROUP with a client base of 70 thousand[5].

Horizontal integration of the Polish outbound tourism market to some extent has been forced by a new policy implemented by insurance companies and the related increase of insurance premiums. In just two years – 2004 and 2005 – 1406 tourism organisers or tourism intermediaries were removed from the Central Register. A vast majority of those firms (1031) were entities that lost their permit to conduct business. It is believed that among the reasons for business closures were higher insurance premiums paid by tour operators.

4. Outbound tourism distribution policy in Poland

Distribution policy governs all decisions and actions undertaken in the process of delivering a product to the purchaser. The role of distribution is the deployment of products in the market in a manner that is convenient to the purchaser in terms of time, place and price. The right choice of distribution channels decides about how fast, where, when, at what cost and at what level of service a product is offered to the buyer and is ultimately purchased. Proper solutions for delivering products to the buyer are key to success in the market game. On the other hand, wrong choices can lead to losses and business failures.

[5] Gazeta Prawna, 28/05 (1646).

5. Traditional channels of distribution

Notwithstanding a wide implementation of information technology solutions, traditional tourism services distribution channels continue to play a significant role.

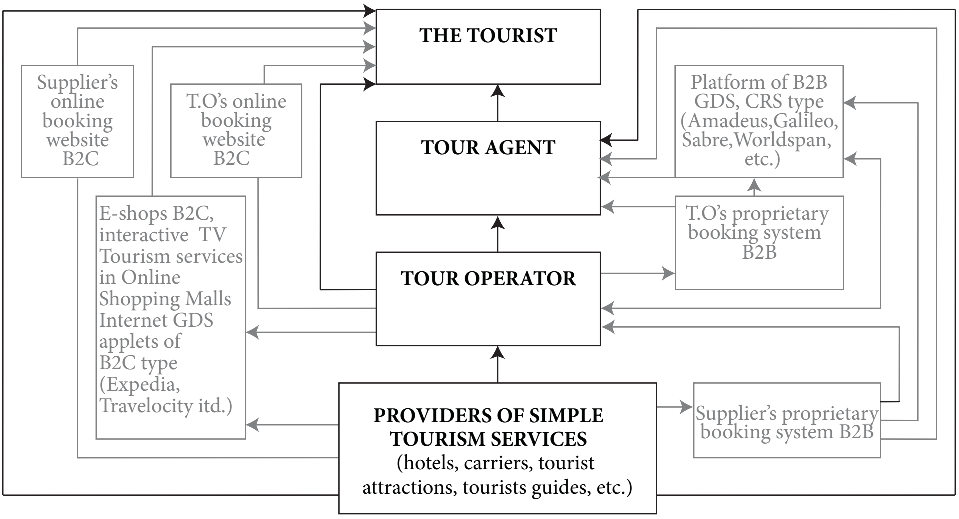

Figure 2. Traditional channels of distribution
Source: G. Gołembski, M. Andrzejewski

In Poland more than half of tourism organisers sell their services directly to clients without the use of tourist agents. Notwithstanding its size (50% of the market), this segment is beyond our interest.

Traditional agency distribution is prevalent among the remaining tour operators. Almost half of tour operators (47%) use the services of outside agents in selling their offers. The average Polish tour operator sells its products through 67 agents. Operating their own sales network is decisively less popular among the tourism

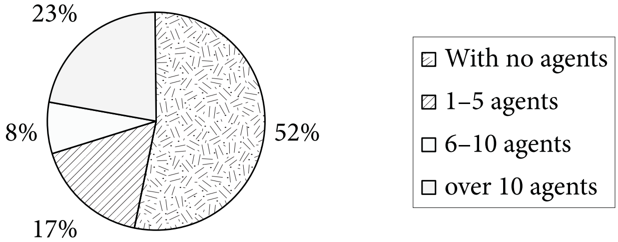

Figure 3. T.O.'s traditional channels of distribution
Source: M. Byszewska-Dawidek, I. Kulesza, *Travel Agents Market in Poland*, MGPiPS 2003

firms. Only 25% of tour operators run more than one sales outlet, and only 7% of those have more than three sales outlets[6].

6. Selling tourism services through e-commerce platforms

Dynamic development of e-trade both worldwide and in Poland is a fact. An ever-growing percentage of the global population use the Internet not only as a source of information but also for online buying and selling of goods and services, treating it as an alternative distribution channel. Companies that have experienced literally geometric progression in their sales growth attribute this phenomenon mainly to low cost of online sales and easy access to a wide range of products.

Poland is fast catching up, both in terms of popular access to the Internet and in using this medium as a distribution channel for products and services. In 2004 the value of Polish e-trade was estimated at USD 0.29 billion. Compared with EU's 46.37 billion US dollars and United States' 140.67 billion US dollars this is a small market. However, given the current dynamic growth in the number of online shoppers it is expected that by 2009 Polish e-commerce businesses will generate sales of USD 1.64 billion annually, and the number of online customers will exceed 50% of the total population with access to the Internet[7].

One of the important factors conditioning a dynamics of growth of the Internet sale is the safety of transactions. On the Polish market, in spite of the introduction of the latest technology solutions, the opinions on the safety of transactions are much lower than the general opinions of these transactions. This difference is smaller if we consider e-firms. Probably such not very enthusiastic opinions of the Internet transactions arise due to not very good opinion on the security systems. In total 37% of firms that do not belong to the IT sector and 31% of those that belong there, claim that on the Polish market the Internet transactions security systems are a guarantee of safety. On the other hand, as much as one third (32%) of IT firms claim that such security systems do not really guarantee the safety, whilst only 5% of firms not belonging to the IT sector share that opinion. A great part of respondents was not able to take position on the matter of the Internet security systems used, and these were as much as one fourth of the traditional entrepreneurs and 11% of e-entrepreneurs.

The above opinions are in majority shared by the customers of e-shops, as they pay for the services in the form of transfer in the first place and in the second - by credit card. However, this tendency is changing as far as more modern and much

[6] M. Byszewska-Dawidek, I. Kulesza, *Travel Agents Market in Poland*, MGPiPS 2003.
[7] USA, EU – Jupiter Research; PL – GUS, Gemius.pl, Stattour.pl.

safer technologies are introduced, which is particularly visible on the American and British markets[8].

Tourism services are the services most often bought through the Internet. Probably the reason for such a situation is unique character of the tourism product itself. Most things bought through the Internet do not really need to be looked at or touched, as the purchaser knows exactly what he can expect, e.g. knows a book's title. When we consider the tourism product, it is unique mainly because of its non-material character. It cannot be touched or looked at closely at a travel agency. And the electronic channels, supported by the call centers, with the help of multimedia, allow an even better presentation of the offer (a film, some animations, customers' opinions) than at the travel agency. Therefore, the customer very often chooses this form of purchase.

Tourism services are among the most readily purchased services over the Internet. This may be due to a specific nature of the tourism product. In recent years Internet technologies have been increasingly used in more advanced forms of commercial dealings, such as online reservations and related transactions. The Internet was at first attempts used by tour operators for upgrading traditional forms of distribution by installing proprietary B2B booking systems in the networks of their agents, and by selling their services through the GDS and CRS systems of B2B type.

Solutions of this kind are very common in European and US markets. However, for an average Polish tour operator designing or purchasing a proprietary B2B res-

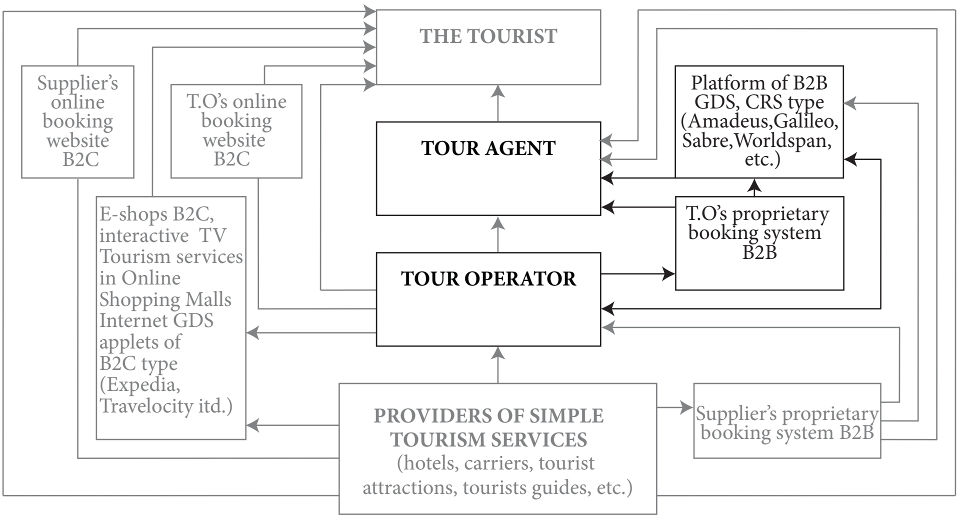

Figure 4. B2B channels of distribution facilitating communication and transactions between T.O.'s and agents

Source: G. Gołembski, M. Andrzejewski

[8] E-transactions safety, Pentor, Warsaw 2005.

ervation system is a relatively expensive solution. For that reason proprietary booking systems are primarily used (already since mid nineteen nineties) by the biggest Polish tour operators, such as Itaka, Rainbow Tours, Triada, and Orbis.

A similar situation concerns sales through the GDS or CRS, where in turn the problem lies in high commission rates charged by the system. Besides, these are channels based on expensive communication networks: VPN or closed protocol, hence only the biggest tourism organisers can afford to sell their offerings through such reservation systems. All tour operators ranked in the top ten offer their products through the largest GDS's[9]. It must be stressed however that Global Distribution Systems (GDS) are used by agents to sell mainly simple travel products, such as airline tickets. The following Table shows the GDS market division in Poland:

Table 1. The "Big Four" GDS market in Poland

System	Number of installations	Number of terminals	Market share
Amadeus	442	1027	57.85%
Worldspan	170	418	34.86%
Sabre	21	63	5.33%
Galileo	9	34	1.96%

Source: Market Information Data Tapes.

From tour operators' perspective the Internet presents opportunities as well as threats. Among the threats without a doubt is a lower entry barrier for new firms – potential competitors (Grarzer, Winiwarter). One of the threats is a possibility that a specific service supplier might install its own B2B booking system on the premises of a tourist agent, thus bypassing the tour operator and enabling an agent registered as an intermediary to sell simple travel products.

Another threat lies in the greater bidding power of service suppliers as they also can, and in fact commonly do, run their own websites, gaining – albeit partial - independence from tour operators.

The customer's purchase of airline tickets directly from service suppliers is a prime example in this category of threats. Similar to EU markets and the USA, such purchases constitute a majority of electronic transactions. According to eCard, the Polish Internet transaction authentication company, airline tickets make up three quarters of all sales.

[9] M. Nalazek, J. Moskala, W. Blaszczuk, K. Lopaciński, K. Sikora, *Internet in Tourism and Hotel Industry*, MG, 2003.

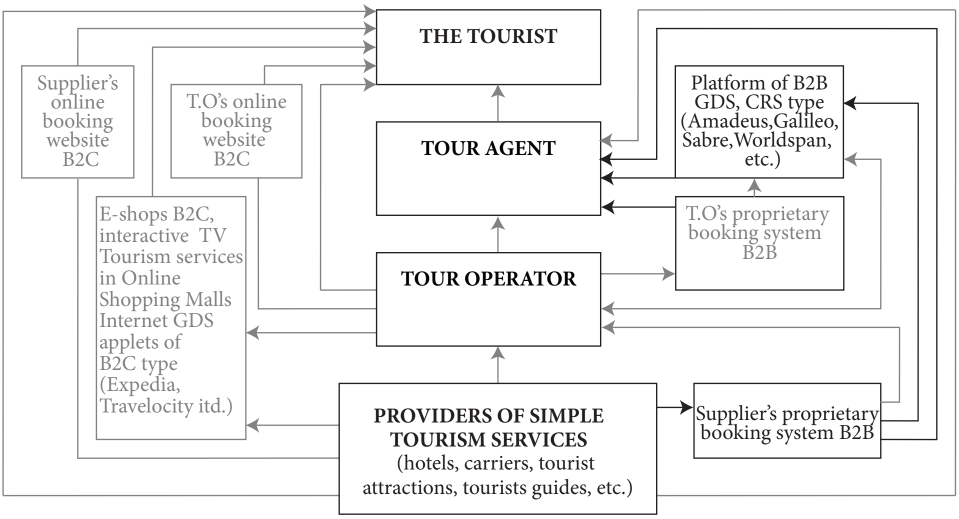

Figure 5. B2B channels of distribution facilitating interaction between service suppliers and agents

Source: G. Gołembski, M. Andrzejewski

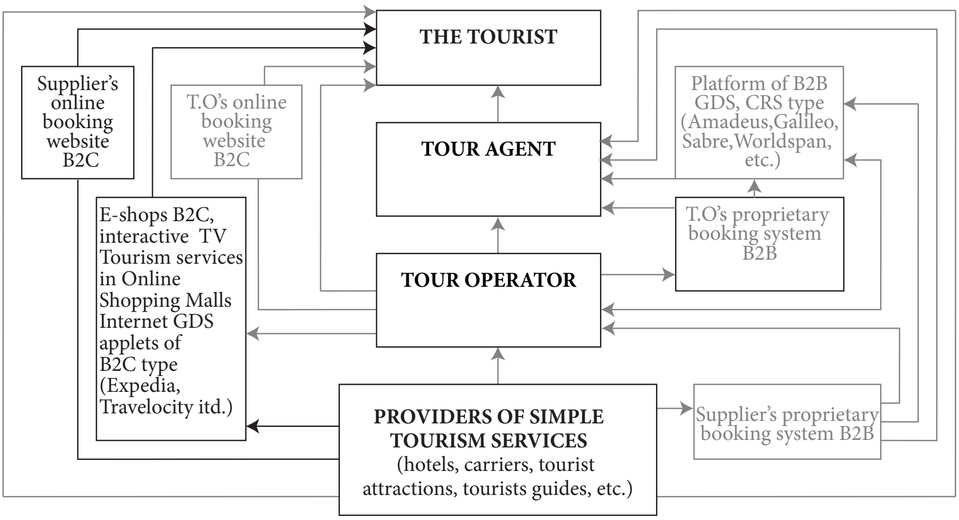

Figure 6. Suppliers' B2C channels of distribution

Source: G. Gołembski, M. Andrzejewski

Hotel reservations are a different category – here only the booking is made online while payment is taken offline. For this reason these services do not feature in the statistics of transaction authentication firms. In June 2004 Orbis, the largest Polish hospitality company, launched the OrbisOnLine system – the only Polish reservation website enabling real-time bookings of rooms in all the hotels of Orbis Hotel

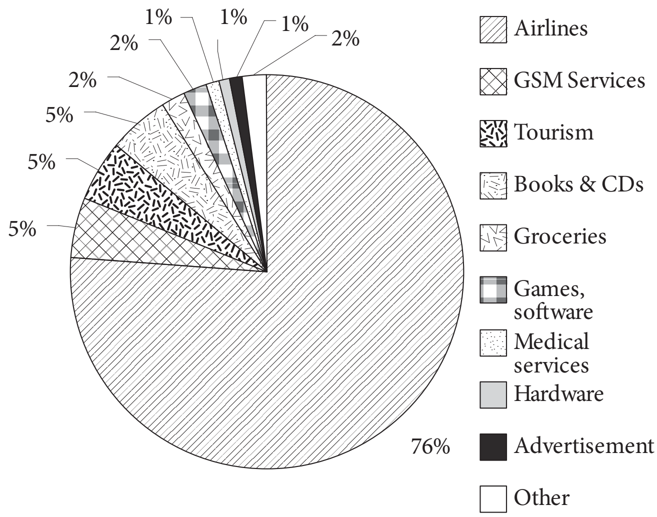

Figure 7. Airline tickets share in overall online sales
Source: e-Card, August 2

Group. The website is used by private clients, both at home and abroad. In total 31 469 roomnights were sold through the OrbisOnLine from June to December 2004, including 27 580 special offers[10].

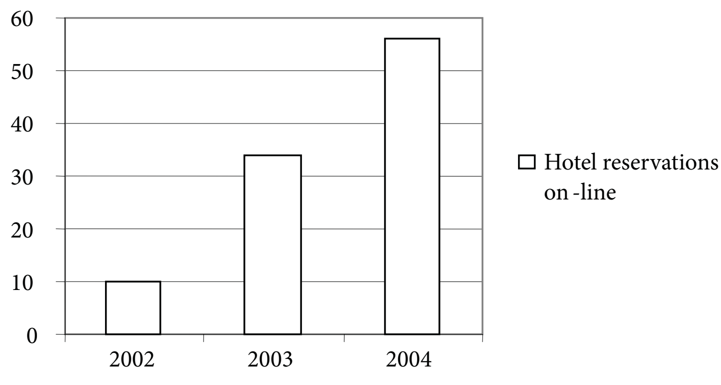

Figure 8. Hotel reservations (thousands)
Source: Travelplanet.pl, 2005

The cited examples show a growing bidding power of buyers who are able to shop around at an incredibly low cost. This poses the greatest threat to tourist agents as the pressure is mounting on tour operators to launch their own websites and/or use the existing online shops. Tour operators have a dilemma: build their own websites

[10] ORBIS S.A, 2004 Annual Report.

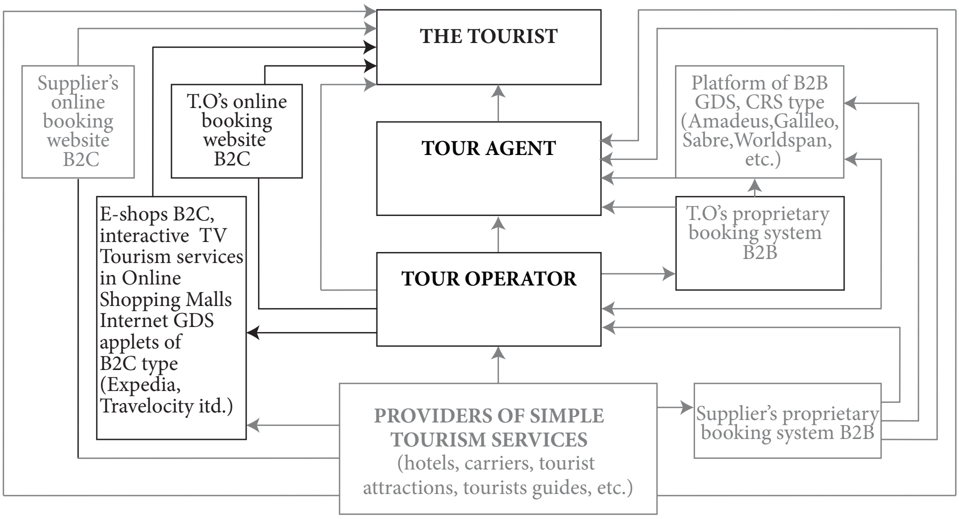

Figure 9. Tour operator's B2C channels of distribution
Source: G. Gołembski, M. Andrzejewski

or use e-shops. Online shops offer a greater selection of goods and services, and customers can find everything they want on one website, saving time and money. Thus the customer's bidding power is growing. However, selling their products through e-shops exposes tour operators to a much greater competition within one's own sector, both on the domestic and international markets (geographic extension of markets – Porter, 2001).

7. Selling through the company's own website

The Internet has not only enabled tourism firms to present their offerings to a wider audience in an attractive manner, but also provided a trade platform for selling goods and services directly to Internet users at home and abroad. More than half tour operators run their own website, but only 18% use the facility for direct booking of their services. In most cases the Internet is used for the presentation of a company's offer, so its role is strictly informative and promotional.

As many as 31% of tour operator websites function in the sub-catalogue of third party domains, minimizing their chances to get a high ranking with search engines whose search algorithms favour sites with URL's containing the operator's proprietary name[11]. The Internet as a promotion and distribution medium is rarely used

[11] Overnet Interactive Agency: Survey of WWW sites of Polish Travel Agencies.

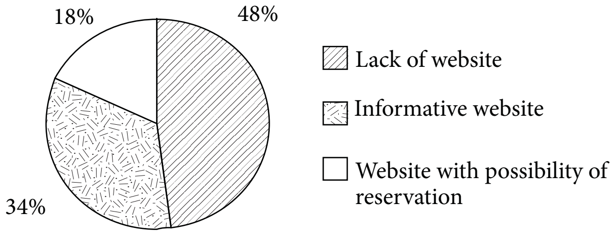

Figure 10. Tour operators' websites – structure and functions
Source: M. Byszewska-Dawidek, I. Kulesza, *Travel Agencies Market in Poland*, MGPiPS 2003

by small travel agencies operating in local or niche markets. By contrast, all travel agencies ranked in the top ten Polish tour operators have their own extended websites with online booking and payment facilities.

8. Tourism e-shops

The online shop (e-shop, webshop) can be defined as a "firm that displays its products on the Internet and enables the customer to place a purchase order and make payment online without the need to leave home, and ensures delivery of the purchased product to the customer's home". In Poland we can identify three types of online services engaged in the distribution of tourism packages (covered by Megapanel Gemius survey):

a) services of web portals (online shopping malls):
   Onet.pl-Turystyka, Interia.pl-Turystyka, Wirtualna Polska-Turystyka

b) company services:
   orbis.pl; PTTK.pl; tui.pl, almatur.pl; scanholiday.pl; triada.pl; bluesy.pl; a1r.pl; adriatyk.com.pl; Adriatyk.pl; alfastar.pl; campus.pl; eccoholiday.pl; neckermann.pl; topornia.pl

c) specialist websites of online shops:
   adriatica.pl; travelplanet.p; agroturystyka.pl; agrowczasy.pl; chorwacja.pl; aero.pl; globtroter.pl; vtrip.pl; ecotravel.pl; wczasy.pl; expedia.com; wakacje.agro.pl; egipt.pl; ipolska.pl; last-minute.pl; pilot.pl; rezerwacje.pl; voyager.pl; wczasy.net.pl; ecotravel.pl; travelbook.pl; gulliver.com.pl; wczasy.net.pl; wgorach.com.pl.

Poland may be a few years behind Western Europe in the employment of Internet channels of distribution, nevertheless in terms of structure online sales of tourism services are similar to Western European counterparts, while enjoying a greater growth rate.

Table 2. Online sales of tourism packages

		INTERNET					
		B2C channels			including e-shops		
Poland	Value of tourism packages market	Online sales of tourism packages	Online sales of tourism packages	Online sales of tourism packages	Online sales of tourism packages e-shops	Online sales of tourism packages e-shops	Online sales of tourism packages e-shops
Year	PLN (millions)	PLN (millions)	Market share	Growth rate	PLN (millions)	Market share	Growth rate
2002	1641	19.7	1.2%	N.A.	8.7	0.53%	N.A.
2003	1430	45.76	3.2%	132	19	1.33%	118.4
2004	1722	86.1	5%	88	35.3	2.05%	85.8
2005 F	1830	124.44	6.8%	44,5	66.1	3.61%	87.25

Source: G. Gołembski, M. Andrzejewski, based on data by IDM S.A., Travelplanet.pl, Instytut Turystyki, i-Metria.pl, Stattour.pl, F- *forecast.*

What stands out is a high and steadily growing share of e-shop sales in overall online trade. A high popularity of e-shops is due to customer's ability to make direct comparisons between offerings of many tourism organisers regarding specific destinations, which is not possible in the case of a website run by a single tour operator. A growing share of tourist packages in overall online tourism sales – given similar value of the market and declining client numbers – can be explained by the hierarchy of criteria used by customers for buying tourism services, as shown in Figure 11 below:

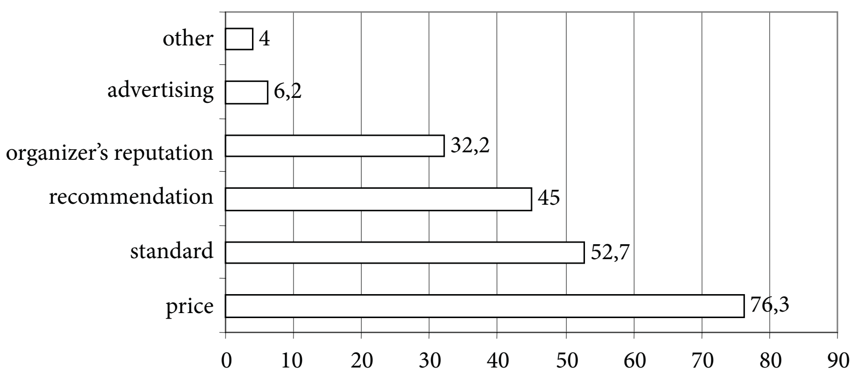

Figure 11. Reasons for buying tourism packages on the Internet
Source: Stattour.pl, 2005

The illustrated distribution of selection criteria suggests that the main area of competition is price. For buyers, beside convenience and time saving benefits, most important is finding a comparable package which is cheaper than the one offered by traditional "offline" travel agencies.

This brings us to the following question: given the current circumstances, what can tour operators do to avoid or minimise the negative impacts of all these threats? It appears that the only way out is value creation. Ackermans (2001) divides the newly created value into added value and received value.

In countries where tourism services are most extensively being sold with the use of information technology solutions it is often stressed that the added value is created by using the Internet towards wider, more advanced relations between the company and its clients, and closer than ever ties with its suppliers and partners (Hsien Tang Tsai, Leo Huang, Chung-Gee Lin, 2005). In those countries the Internet is perceived as a resource-advantage facility, strengthening the company's brand and reputation. This is in some way facilitated by the specific nature of the tourism product, such as the intangibility and ephemeral quality of tourism experience, reflecting the positive – or otherwise – confrontation between customer's expectations and reality.

The Internet can help match supply with demand – by targeting the right product at the right client. And finally, the Internet can increase the sales potential of a company (in conjunction with other forms of sales), upholding its competitiveness.

We propose a hypothesis that the fundamental purpose for e-Commerce existence is the achievement of resource advantage (reputation, targeting of the right client). Resource advantage results in a greater differentiation of market offers, a phenomenon observed also in the Polish tourism market. It is true that the Polish market is characterised by a smaller share of ready-made packages (only 8% of total sales), but instead clients have a great choice of diverse single services (such as airline tickets, coach and railway tickets, hotel rooms, insurances, maps and tourist guides) that can be used to put together bespoke tourist packages.

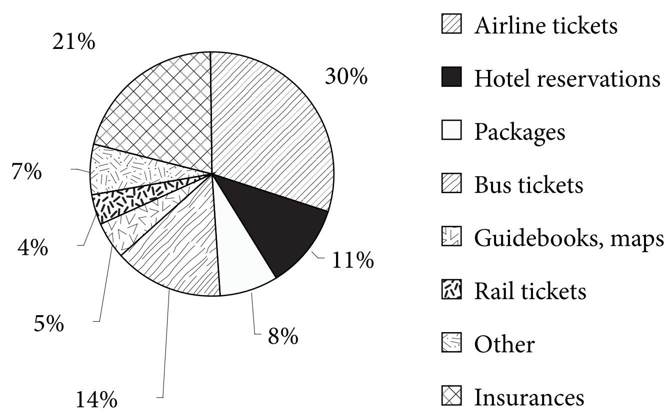

Figure 12. Tourism services and products purchased online in Poland
Source: Stattour.pl, 2005

Offer differentiation is also evident in the sales structure of the second largest Polish e-shop, Travelplanet.pl, as shown in Table 3 below:

Table 3. Travelplanet.pl sales structure

Years	2004		2003		2002	
Value in PLN (thousands)	Volume	Value	Volume	Value	Volume	Value
Tourism packages	74.9%	74.4%	84.8%	86.5%	90.8%	88.7%
Air tours	61.8%	66.9%	74.3%	80.2%	78.2%	82.3%
Client's own transport	10.7%	5.4%	8.6%	5.0%	11.0%	4.8%
Coach tours	2.4%	2.1%	2.0%	1.3%	1.7%	1.6%
Airline tickets	20.4%	15.5%	5.0%	4.4%	4.5%	4.5%
„Full-service" carriers	16.3%	14.1%	5.0%	4.4%	4.5%	4.5%
Low cost	4.1%	1.4%	0.0%	0.0%	0.0%	0.0%
Advertising	1.7%	6.8%	2.2%	6.4%	2.9%	5.6%

Source: Travelplanet.pl S.A., 2005.

Beside its e-commerce function, the Internet is an obvious source of knowledge for tourists who seek additional tourism-related information. Surveys conducted by Stattour reveal that over 67% of would-be travellers have searched for information in the Net. People usually look for practical pieces of information (weather, prices, transportation schedules, and helpful addresses), general information about the country/region of their destination, accommodation possibilities, and tourism attractions. Other types of information include online maps, motorway tolls, etc. Given that as much as 67% of tourists organise their own travel, this is perfectly understandable. For that reason among the most popular Internet services are portals and search engines such as: Pascal at onet.pl (22.8%), Google (22,5%), turystyka.pl (11%), wp.pl (11%), and interia.pl (%). Over 34% respondents searched for information on specific events and organisers of those events, indicating that they might become clients of travel agencies[12].

The Internet can be instrumental in achieving competitive advantage, mainly by differentiating and distinguishing company products, and through a more effective segmentation of the market. Of much lesser importance are such elements of competitive advantage pursuit as customer base extension (more potential customers use the Internet but this is counterbalanced by a growing number of firms going online), a better effectiveness of advertising, increased price competitiveness, etc.

Another hypothesis proposed by this paper is that e-commerce provides the environment for achieving competitive advantage through a better segmentation of the tour operators markets. Such a conclusion may be drawn from the client pro-

[12] Stattour.pl , *Tourism Activity Survey of Polish Internet Users*, 2004.

file of online customers who purchased outbound tourist events. The client profile was determined in a desk research of Polish e-shops reports, covering a sample of 29 844 buyers of tourist packages in 2005. The value of sales in the sample was PLN 51.8 million (EUR 13.2 m), which is about 42% of the total value of outbound tourist packages sold in that year.

The data distribution analysis employed the measures of central tendency on grouped data. The analysis generated a demographic profile of the target sample and the profile of preferences, expectations and requirements with regard to the tourism product.

The results revealed that the statistical client of tourist e-shops is a person 25-45 years of age, in full-time employment, earning more than PLN 2500 per month (EUR 650).

53% of the clients live in cities with populations over 500 000, while 36% live in towns with less than 100 00 inhabitants. It is a person actively spending his/her free time, travelling abroad twice a year on average. The destinations of choice are Mediterranean countries, and the preferred means of transport is the aeroplane. The average length of stay is 7 days, and the proportion of such shorter breaks is steadily growing at the expense of 14-day holidays. The average booking is for 2 persons, and the average value of package amounts to PLN 4 500 (EUR 1150). About 30% of purchased packages are family holidays. The payment is usually made by direct

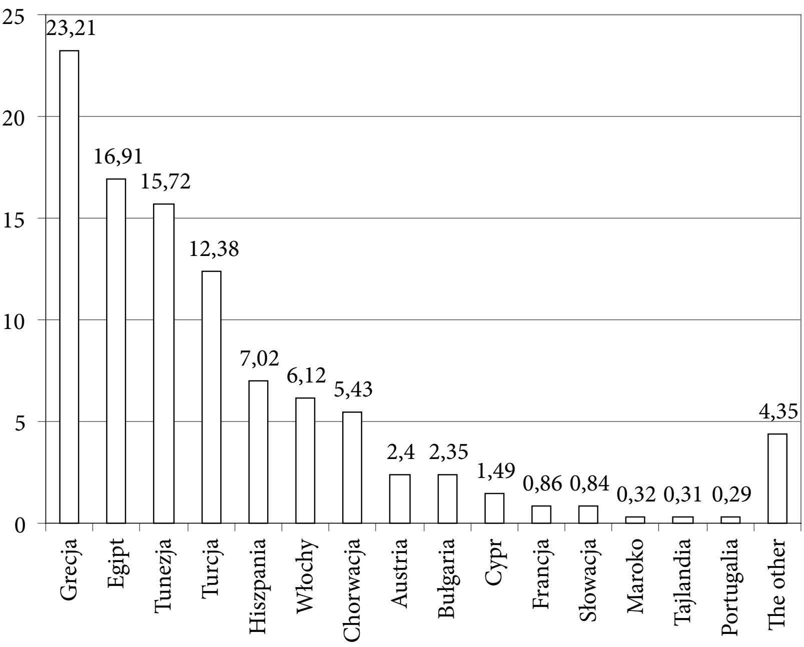

Figure 13. Structure of destinations bought on-line in Poland (%)
Source: Own calculation, based on the data: wakacje.pl, wp.turystyka.pl, travelplanet.pl; 2005

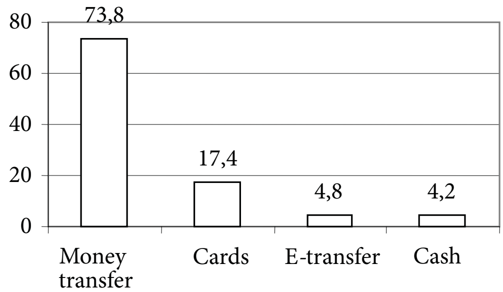

Figure 14. Structure of payment – packages bought on-line in Poland (%)
Source: Own calculation, based on the data: wakacje.pl, wp.turystyka.pl, travelplanet.pl; 2005

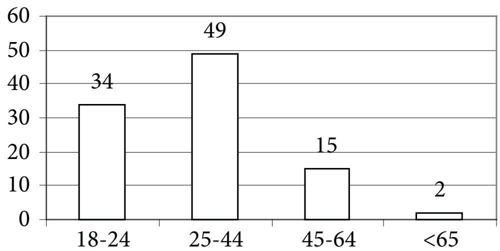

Figure 15. Structure of customers age – packages bought on-line in Poland (%)
Source: Own calculation, based on the data: wakacje.pl, wp.turystyka.pl, travelplanet.pl; 2005

credit from a bank account or by credit card. The most important selection criterion is price, followed by accommodation conditions and hotel facilities.

9. Conclusion and future work

The questions that arise in connection with this paper's analysis are as follows: What is the (near) future of on-line tour operators? Looking ahead, will we be able to talk about a growing impact of e-commerce on tourism company competitiveness, quite apart from the obvious fact that the share of online sales in total turnovers will be much greater? Will we be able to see a relationship between resource advantage and competitive advantage? Can we expect further benefits of e-tourism such as growing sales and lower costs?

These are questions that can be credibly answered only after a study of primary data collected in surveys on a full sample of Internet-using tourism organisers.

The data collected and studied by methods of descriptive analysis will enable a complete analysis of the Polish market for tourism services purchased online, including such performance indicators as e-commerce sales, product structures, price structures, payment methods, as well as analysis of distribution channels used in this industry and the evaluation of their effectiveness expressed through growth rates and sales profitability. Additionally, expert interviews with representatives of Polish online shops and managers of tour operator enterprises regarding development prospects for e-commerce will enable a better interpretation of data collected in the course of primary research. A comparative analysis of the sector will enable a projection of strategic groups with indication of the main dimensions of competitiveness.

With the methods of inductive reasoning it will be possible to construct an empirical model of the strategic group map within the space of tourism services sector, analyse mobility barriers, identify important and marginal groups, chart directions of strategic movements, identify trends and predict reactions, which will enable the formulation of policy implications for enterprises already operating in the tourism organisers market or for those planning to enter the industry.

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