

Competition Strategies for Tourism Industry in the Context of Sustainable Development

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Abstract: The subject of competition started to be more important while we are facing with a quick changeable environment and an uncertain future. All around the world in every sector people who try to establish a new business will meet lots of rivals, lots of opportunities with high risks and a competition which ends with death or life. Because of these reasons strategies which help managements to compete with their rival are very important for a sustainable development. In the Travel&Tourism Competitiveness Report which presented by World Economic Forum, Bosnia and Herzegovina and Herzegovina ranked 107th. among 133 countries in 2009 index. This report shows us that Bosnia and Herzegovina and Herzegovina need to prepare new competitive strategies for tourism industry. If Bosnia and Herzegovina and Herzegovina can market his tourism industry effectively this development also will provide a new way for sustainable development.

The purpose of this study is to determine which competition strategies are suitable for the managements in Bosnia and Herzegovina and Herzegovina to provide sustainable development. In this context we will evaluate the strategies of Porter (Generic Strategies), D'aveni (Hypercompetition), Miles&Snow (Adaptation Strategies).

Key Words: Strategy, Competition Strategies, Sustainable Development

1. Introduction

In recent years general trends in management area attach importance to information more than physical assets. Companies around the world started to transform themselves for competition with information tools(Kaplan and Norton, 2007). Companies forced to transform themselves because of environment conditions which can change anytime, communication speed is increasing day by day and managers can't see what they face with in the future.

In a world like this, people(poor or rich), companies(little or big), countries(developed or developing) have to be dynamic and prudent against rivals to compete with them.

In this study we evaluate the competition from the view of tourism to provide sustainable development. First we asked the question of "Can Bosnia and Herzegovina use tourism to provide development?" and found the place of tourism in Bosnia and Herzegovina economy. Then we checked the structure of tourism in Bosnia and Herzegovina and identified some criterions for the tourism of Bosnia and Herzegovina. Also we examined the rivals of Bosnia and Herzegovina in the tourism sector. And finally we determined some suitable competition strategies for tourism of Bosnia and Herzegovina to provide development. And we presented some suggestions for Bosnia and Herzegovina tourism to provide sustainable development.

2. Concept of Competition Strategies

Since the early 1990s firms have faced significant challenges in their operating environments, including stagnant or decreasing market volumes, shorter product and technology lifecycles, and more demanding consumers and competition driven by price that forces participants to rationalise resources wherever possible (e.g. human resources or logistics)(Kotzab et al., 2009). In this new business environment, competitors aggressively introduce new products, change distribution channels, implement cost-cutting programs, and imitate each other's innovations; and companies regularly redraw the traditional boundaries of markets as they globalize their operations in response to the changing regulatory and competitive climate(Akhter, 2003).

In this mercurial environment, some business scholars present some strategies from different perspectives to compete against our rivals. In this study we will evaluate only three author's strategies. These strategies are shown in the table 2.1.

Authors	Strategies
Michael E. Porter	1. Cost Leadership (low cost) 2. Differentiation 3. Focus
Richard D'Aveni	1. Speed 2. Strategic Soothsaying 3. Stakeholder Satisfaction 4. Surprise 5. Shift the Rules 6. Signalling Strategic Intent 7. Strategic Thrust
Raymond Miles & Charles Snow	1. Prospector 2. Analyzer 3. Defender 4. Reactor

Table: 2.1. Competition Strategies

D'aveni (1994) described the environment of companies as hypercompetitive environment. Hypercompetition is "characterized by intense and rapid competitive moves, in which competitors must move quickly to build [new] advantages and erode the advantages of their rivals" (D'Aveni, 1994:217- 218). Hypercompetition emerged from the dynamic manoeuvres of innovative and global rivals. A hypercompetition environment caused companies to face with more uncertainty, dynamism and increased animosity between heterogeneous rivals (Akin, 1999). According to D'aveni (1994) companies can't provide sustainability in a hypercompetition environment. Besides that D'aveni (1994) emphasizes that "sustaining your own advantage is not enough to reach the top in business, also you should destroy the advantages of competitors through constantly disrupting the equilibrium of the market". Within the framework of this view D'aveni exposed some strategies to compete against rivals effectively. These strategies shown in the table below which based on market disruptions and performed with vision, capabilities and tactics.

Three Critical Factors for Delivery of a Series of Disruptions	The New 7-S's
Vision for Disruptions	* Envisioning disruptions that create Superior Stakeholder Satisfaction * Using Strategic Soothsaying as a meaning of seeing and creating opportunities for disruption
General Capabilities for Executing Disruptions	* Building the capability for Speed into the organization so the disruptions are executed better * Creating the capability to Surprise opponents so that the disruptions are more powerful
Product/Market Tactics Used to Deliver The Disruptions	* Selecting actions that Shift the Rules used by competitors in their dynamic strategic interactions * Using Signals to influence future dynamic strategic interactions * Executing Simultaneous and Sequential Strategic Thrusts as a meaning of molding the flow of the dynamic strategic interactions that will occur.

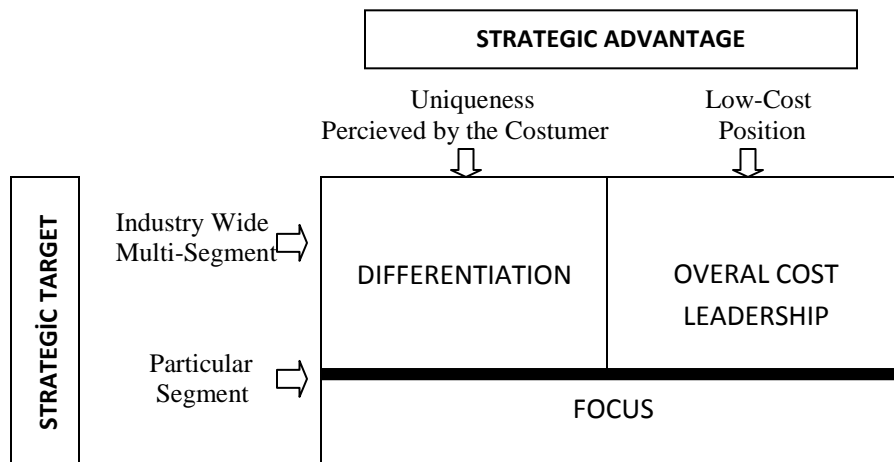
Table: 2.2. Three Critical Factors for Disruptions and 7 strategies to make it real
Source: D'aveni, 1994, p.244.

D’aveni emphasized that four driving forces are contributing to the new era of hypercompetition: **customer changes**, including fragmenting tastes; **rapid technological change**; falling geographic and industry boundaries as markets globalize, and deep pockets among competitors due to the rise of giant global alliances in a raft of industries(Rifkin, 2000).

Porter(2000) indicated that the competition strategy is to have a tenable position to cope with five forces succesfully thus firm can behave as aggressive or defensive to achieve investment return. These five force can be sorted as threat of substitute products or services, threat of the entry of new competitors, intensity of competitive rivalry, bargaining power of customers (buyers), bargaining power of suppliers.

According to Porter(2000), firms in the sector can choose one of the generic strategies to gain competitive advantage and also can cope with five forces. Generic strategies known as differentiation, overall cost leadership and focus strategies.

According to Porter, a business can maximize performance either by striving to be the low cost producer in an industry or by differentiating its line of products or services from those of other businesses; either of these two approaches can be accompanied by a focus of organizational efforts on a given segment of the market(Parnell, 2006:1142). A firm that uses a differentiation strategy competes on the basis of its ability to do things differently than its major competitors do. A firm that uses a low-cost strategy builds competitive advantage by producing goods or services at the lowest possible cost. And if entrepreneurs persist in their ability to keep costs lower than others, their organizations thrive. In contrast to the cost leadership and differentiation strategies, which are based on the creation of competitive advantage over an entire market segment, Porter’s focus or a niche strategy recommends focusing on market niches – on specific target groups, particular portion of the product spectrum or a narrower geographical market(Papulova and Papulova, 2006).



Figure; 2.1. Porter’s Generic Strategies

According to Porter, firms that are capable of identifying one of the types of generic strategies will be capable of producing superior results(Chathoth and Olsen, 2005).

Miles and Snow developed a comprehensive framework that addresses the alternative ways in which organizations define and approach their product- market domains (the entrepreneurial problem) and construct structures and processes (the administrative and technical problems) to achieve competitive advantage in those domains(Slater and Olsen, 2009). Miles and Snow posit four basic managerial strategies – prospecting (innovative and exploratory), defending (narrow and focused), reacting (waiting for environmental cues), and analyzing (a mix of prospecting and defending) – and trace out the expected contingencies for the core strategies of prospecting and defending(Andrews et al., 2008).

Adaptive Strategies	Content
Prospector (innovation)	<ul style="list-style-type: none"> • High research and development and market intelligence investments • Lower level of controls and operational efficiency • Organic organisational structure • Low fixed asset intensity • Flexible technologies, processes, and skills
Analyzer (minimise risk with proven opportunities)	<ul style="list-style-type: none"> • Maintains core products and adopts proven innovations • Large matrix organisational structure • Mix of processes and technologies for efficiency and flexibility
Reactor (quick response to market demands)	<ul style="list-style-type: none"> • Rapid, opportunistic responses to immediate market demands • Project-orientated processes and organisational structure • Negligible long-term planning • Inconsistent or uncoordinated responses to competitive environment
Defender (operational efficiency)	<ul style="list-style-type: none"> • High-quality standardised products and processes • Low prices achieved with economies of scale • Mechanistic organisational structure • High fixed-asset intensity • Highly cost-efficient but relatively few core technologies

Table: 2.3. Miles&Snow's Adaptive Strategies**Source:** McLaren et al., 2004:50.

These strategy typologies based on how a firm responds to three major problems facing it, i.e. entrepreneurial, engineering, and administrative problems. According to them, the entrepreneurial problem defines an organization's product-market domain; the engineering problem focuses on the choice of technologies and process for production and distribution; and the administrative problem involves the formulization, rationalization and innovation of an organization's structure and policy processes(Tan et al., 2006).

3. Competition Strategies in the Concept of Sustainable Development

Globalization brought lots of new trends such as removal of boundaries, new information technologies(cell phones, internet e.t.c.), changes in the concept of human and personality, rapid changes in management approach and competition conditions.

In this changeable world, countries and companies try to develop themselves. But the changes in the competition conditions force them to think globally. Because twenty years ago companies could survive with executing internal factors. But now countries and companies have to think both internally and externally to survive against the global changes.

The report which is known as "Our Common Future" highlighted three fundamental components to sustainable development: environmental protection, economic growth and social equity(UNEP, 2002). Yet the Travel&Tourism sector remains a critical economic sector worldwide and one that provides significant potential for economic growth and development internationally. Also tourism gives people "environmental awareness" and with providing "employment" it contributes to ensure the social equity.

According to the World Tourism Organization (UNWTO), international tourist arrivals reached 880 million in 2009, representing a decline of 4.3 percent compared with 2008(UNWTO, 2010).The World Travel&Tourism Council (WTTC) estimates that, from direct and indirect activities combined, the T&T sector now accounts for 9.9 percent of global GDP, 10.9 percent of world exports, and 9.4 percent of world investment(WEF, 2009).

A growing national T&T sector contributes to employment, raises national income, and can improve the balance of payments.Thus the sector is an important driver of growth and prosperity, and, particularly within developing countries, it can also play a role in poverty reduction(WEF, 2009).

Approximately 1 billion people join tourism activities. Every country and company wants to benefit from_a big pie like tourism. As a result of this conflict of interest, countries and companies start to compete with each other to grab the big slice. In global competition environment everyone has to find different ways to defeat their rivals. As a result of this search some authors developed some competition strategies for companies ---from different sectors to

compete with their rivals and provide development. We mentioned about competition strategies above. But here we will present some studies which will help us to understand that tourism is a effective tool to provide development.

Authors	Studies
Christina CRISTUREANU & Ana BOBIRCA (2006)	The competitiveness of Romania as a tourism destination
Liljana ELMAZI & Jovan STOJANOSKI & Alexandru NEDELEA	An environmentally sustainable in viewpoint of tourism market competitiveness in the global settings
K.S. TURSINBAEVA	Prospects of development tourism industry in the Republic of Kazakhstan
Editors: Melih BULU & İ. Hakkı Eraslan (2008)	Tourism Sector to Obtain Sustainable Competition Advantage: Sectoral Strategies and Practices
Tony BINNS & Etienne NEL (2002)	Tourism as a local development strategy in South Africa
Donald SINCLAIR & Chandana JAYAWARDENA (2003)	The development of sustainable tourism in the Guianas

Table 2.4. : Studies relevant to tourism development and competition

As we see from the table 2.4. tourism can be an effective tool to provide development if it can be used properly. Countries or companies need to have enough information to implement their strategies. Because of that they must analyse both internal and external environment. Therefore, first we determined the place of tourism in Bosnia and Herzegovina economy.

4. The Status of the Tourism Sector in Bosnia and Herzegovina

Different countries began to interact each other with some activities such as tourism. Tourism is a perfect key for people to know different cultures, histories and life styles. Also tourism is an effective tool for countries to provide added value for country economy.

Bosnia and Herzegovina is the heart shaped land that lies in the heart of southeast Europe with its cultural and historical beauties. It is here that eastern and western civilizations met, sometimes clashed, but more often enriched and reinforced each other throughout its long and fascinating history(www.bhtourism.ba). Bosnia and Herzegovina tourism is specially based on nature and cultural tourism. Also Bosnia and Herzegovina has potential specialy on winter tourism, thermal spring tourism, hunting tourism and natural sports.

	2007	2008		2009	
	Number	Number	Chancing(%)	Number	Chancing(%)
Number of Facilities	344	369	7.3	393	6.5
Hotels	169	179	5.9	189	5.6
Motels	95	95	0.0	106	11.6
Pensions and Hostels	50	61	22.0	62	1.6
Others	30	34	13.3	36	5.9
Number of Rooms	10,667	11,064	3.7	11,737	6.1
Hotels	8,433	8,612	2.1	9,160	6.4
Motels	1,199	1,218	1.6	1,321	8.5
Pensions and Hostels	656	736	12.2	709	-3.7
Others	379	489	29.0	547	11.9
Number of Beds	22,149	23,015	3.9	24,402	6.0
Hotels	17,449	17,823	2.1	18,952	6.3
Motels	2,539	2,554	0.6	2,775	8.7
Pensions and Hostels	1,342	1,547	15.3	1,483	-4.1
Others	819	1,091	33.2	1,192	9.3

Table 2.5.: Accommodation capacity over the years in Bosnia and Herzegovina

Source: Türkiye Kalkınma Bankası A.Ş. Ekonomik ve Sosyal Araştırmalar Müdürlüğü. “Bosna Hersek Sektör Raporları: Turizm Sektörü”, Ankara, 2010.

Bosnia and Herzegovina has 189 hotels, 106 motels, 62 pension&hostels and 36 other tourism managements in 2009. These managements have 11.737 rooms and 24.402 beds. Hotels have an important place in Bosnia and Herzegovina tourism because they have 18.953 beds which reflects %78 of all accomodation facilities bed capacity. In the period of 2007-2009 number of facilities increased %14, number of rooms increased %10 and number of beds increased %10.2.

Bosnia and Herzegovina entertained 142.000 domestic guests and 213.000 foreign guests in 2008 which makes totally 355.000 guests. %47 of these guests accomodated in Sarajevo, %1 of them accomodated in health spas, %16 of them accomodated in seaside resorts and %36 of these guests accomodated in non-tourist places(different facilities)(FOS, 2009).

	B&H	CROATIA	MONTENEGRO	SERBIA	AUSTRIA	MACEDONIA
Tourism Sector						
Number of Rooms	10,789	76,087	17,965	24,023	285,558	7,214
Number of Beds	22,442	163,171	42,778	52,547	646,915	17,124
Incoming Tourists (000)	306	9,307	984	696	20,766	3,903
Overnight Tourist (000)						
Domestic	642	6,431	851	5,853	29,138	1,502
Foreign	695	49,575	6,443	1,476	71,507	516
Average Tourists Nights						
Domestic	2.30	3.47	5.70	3.63	3.20	4.90
Foreign	2.30	5.33	6.55	2.12	4.30	2.30
Tourism Expenditures (million \$)	798	9,576	457	1,011	21,292	219
The Share of Tourism Expenditure						
GDP (%)	5.3	18.7		2.4	5.6	2.9
Export of Goods	18.8	75.9		11.5	13.1	6.5
Export of Services	59.9	76.3		31.9	38.2	26.8

Table 2.6.: Tourism indicators for Bosnia and Herzegovina and neighboring countries (2007)

Source: Türkiye Kalkınma Bankası A.Ş. Ekonomik ve Sosyal Araştırmalar Müdürlüğü. “Bosna Hersek Sektör Raporları: Turizm Sektörü”, Ankara, 2010.

The important points of this table are;

1. Bosnia and Herzegovina is ranked **last** in terms of incoming tourists. (with 306.000 tourists)
2. Bosnia and Herzegovina is ranked 5.th in terms of bed capacity (with 22.442 beds).
3. Bosnia and Herzegovina is ranked 4.th in terms of tourism expenditure. (with 798 million \$)
4. Average number of overnight of incoming tourists is too low in Bosnia and Herzegovina.

In WEF(World Economic Forum)’s “Travel&Tourism Competitiveness Report 2009”, Bosnia and Herzegovina ranked 107th among 133 countries and ranked 42th between 42 european countries.

	Rank (Out of 133)	Score (1-7 scale)
2009 Index	107	3.4
2008 Index	105	3.4
T&T regulatory framework	96	4.1
Policy rules and regulations	119	3.4
Environmental sustainability	115	3.9
Safety and security	57	5.3
Health and hygiene	56	5.0
Prioritization of Travel & Tourism	126	3.0
T&T business environment and infrastructure	93	3.0
Air transport infrastructure	130	1.9
Ground transport infrastructure	126	2.2
Tourism infrastructure	57	3.7
ICT infrastructure	66	2.9
Price competitiveness in the T&T industry	100	4.2
T&T human, cultural, and natural resources	124	3.3
Human resources	109	4.4
Education and training	124	3.1
Availability of qualified labor	30	5.7
Affinity for Travel & Tourism	92	4.5
Natural resources	123	2.2
Cultural resources	81	1.9

Table 2.7.: Travel & Tourism Competitiveness Index For Bosnia and Herzegovina

Source: WEF(World Economic Forum). “Travel&Tourism Competitiveness Report 2009”, Geneva, 2009.

From the table above we can see areas which can provide competition advantage or disadvantage to Bosnia and Herzegovina tourism. Bosnia and Herzegovina has to focus both of side to sustain tourism sector. A very important problem for Bosnia and Herzegovina which needs to be improved urgently is “infrastructure”(93th between 133 country). Also Bosnia and Herzegovina has a strong potential about natural and cultural resources. But governments dont attach importance to tourism as needed and dont have strong policy rules and regulations for tourism sector. Bosnia and Herzegovina has a qualified labor but they dont have enough employment opportunities for them.

<p><u>Strenghts</u></p> <ul style="list-style-type: none"> *Climatic diversity and geographic structure is conducive to different tourism activities, *Rich flora and fauna, * Cultural structure is suitable for the development of the tourism sector, *Potential of thermal resources *Existence of national parks which can be used for tourism, * Rich historical and cultural assets, *To have symbols and values which represent three holy religion, *To be organizer of the Winter Olympics in 1984, *Reviving the domestic tourism with diversification of tourism products *Labor and energy costs are too low, *Having a stable economic environment for investments, *Political administration supports the investments in Bosnia and Herzegovina. 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> *Advertisements are insufficient and thats affect all sectors, * Ground transport infrastructure is insufficient, *Accomodation facilities are weak both in terms of quality and quantity, *Tourism master plan has not been completed already, *Other sectors are not improved enough to support tourism, *Weak competition power to compete other european countries, *Tourists accomodate too short time in Bosnia and Herzegovina, *Natural, cultural and historical values isn't protected enough, * Capital accumulation is too low and they have already depended to outside assistance, * Institutionalization and legal structures have shortages, *Management system can cause damages about investment decisions.
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> *Having an unspoiled environment, *Sector needs lots of new invesments, *Tourism started to be seen as a strategic development area in Bosnia and Herzegovina, *Technical and judicial changes can be arranged to attract new entrepreneurs, *People in Bosnia and Herzegovina welcome foreign capital in nationwide, *EU support projects which is about alternative tourism types, *New players start to show themselves in the sector, * The development of world tourism, *Population and average income level per person increased, *Having good opportunities to improve “winter tourism”, *1984 Winter Olympics brought Bosnia and Herzegovina a touristic image around the world. 	<p><u>Threats</u></p> <ul style="list-style-type: none"> *Unbalanced income distribution, *Bad effects of war still can be feel by people in Bosnia and Herzegovina, * Political and economic instability, *Winter tourism season becomes shorter due to global warming, *Insufficiency of infrastructure and transportation investments, *Competition of neighboring countries, *Rivals are supported by EU with sharing information and financial support, *EU supports travels between EU members with new policies, *Insufficient airplane componies.

Table 2.8.: SWOT of Bosnia and Herzegovina Tourism

Source: Türkiye Kalkınma Bankası A.Ş. Ekonomik ve Sosyal Araştırmalar Müdürlüğü. “Bosna Hersek Sektör Raporları: Turizm Sektörü”, Ankara, 2010.

The SWOT analysis is a tool for a situation analysis and when used in an appropriate way, it can be a good foundation for strategy formulation(Božac and Tipurić, 2006:433). SWOT analysis aims to identify the strengths and weaknesses of an organisation and the opportunities and threats in the environment(Dyson, 2004:632). SWOT analysis also can help us to determine strategies for specific areas.

5. Competition Strategies for Tourism of Bosnia and Herzegovina

Porter claims that to gain competition advantage and to cope with 5 forces(threat of new entrants, industry rivalry, bargaining power of buyers, bargaining power of suppliers, threat of substitutes companies) can choose one of 3 general competition strategies.

Bosnia and Herzegovina can apply **differentiation strategy** in tourism sector. World tourism trends are showing us that people travel to see different cultures and historical places(cultural tourism), natural beauties(ecotourism). Bosnia and Herzegovina has a perfect potential for cultural tourism, winter tourism and ecotourism. If Bosnia and Herzegovina can show his unique natural resources and cultural values to world travellers, tourists can flow through Bosnia and Herzegovina.

While trying to apply differentiation strategy, Bosnia and Herzegovina should **focus** specific markets. Bosnia and Herzegovina has only 25 kms of beach. This area needs focus because tourists who choose Bosnia and Herzegovina for its beaches are too few. Bosnia and Herzegovina should organize sea tourism according to tourists whose income levels are higher and that considers to accommodate for a long time.

Bosnia and Herzegovina can't apply **cost leadership** strategy with having insufficient infrastructure, few accommodation facilities, low market shares. Also the main need to apply **cost leadership** strategy is to have a large market. But Bosnia and Herzegovina tourism start to improve recently and also accommodation facilities in Bosnia and Herzegovina are damaged by enemies in war.

D'aveni claims that companies can't provide sustainable improvement. Because companies environment change too fast, to provide customer satisfaction is too hard and the rules of markets can change suddenly.

Types of Approaches	Areas which Bosnia and Herzegovina can apply D'aveni's Strategies
1.Speed	Bosnia and Herzegovina should move fast and surprise customers and rivals with innovation moves in tourism sector to manage disruptions on rivals. Bosnia and Herzegovina can use unspoiled environment to surprise tourists and in this area they can build different structures like "Skywalk-Grand Canyon USA.
2.Surprise	
3.Stakeholder Satisfaction	To provide customer satisfaction they should increase the quality and safety in accommodation facilities and envision future customer demands with following global tourism trends.
4.Strategic Soothsaying	
5.Shift The Rules	First they should learn the rules of market between rivals. When they have enough power in market they can set their own rules. And with innovative services which spread market with short-ranges can block rivals to enter our areas.
6.Signalling Strategic Intent	
7.Strategic Thrust	

Tablo 2.9.: D'aveni's Strategies and Suitable Areas to Apply

D'aveni's strategies are used to disrupt rivals. Bosnia and Herzegovina can use his unique areas (untouched environment, 25kms long beach and historical places) to disrupt rivals in tourism market. With innovative goods and services they can be arbiter in market. But before all of these strategies they must try to build a strong infrastructure and introduce Bosnia and Herzegovina to the world with effective advertising campaigns.

The most suitable strategy for general Bosnia and Herzegovina tourism among 4 strategies of Miles and Snow is **Prospector** strategy. After war, Bosnia and Herzegovina started a new period to improve tourism and other sectors. Because at war they lost lots of tourism facilities. And now Bosnia and Herzegovina has a chance to build a new tourism market with lots of opportunities and resources. With applying prospector strategy Bosnia and Herzegovina can create innovative services and explore new techniques to improve tourism in Bosnia and Herzegovina. They can create new competencies which can't be imitate easily and provide sustainable competition advantage.

6. Conclusion

Bosnia and Herzegovina has a favorable investment environment and financial stability for foreign entrepreneurs. Also privatization process in country is proceeding in a positive way. Legal treatments to start a business in Bosnia and Herzegovina are very appropriate for foreign entrepreneurs.

With all these positive developments, Bosnia and Herzegovina can be developed more quickly than competitors. According to an estimation of the World Tourism Organization, Bosnia and Herzegovina will have the third highest tourism growth rate in the world between 1995 and 2020. With various tourism types (cultural, historical, winter, spa, ecotourism) Bosnia and Herzegovina can provide competition advantages in tourism sector to disrupt their rivals.

In this study we determined some strategies for Bosnia and Herzegovina to improve tourism activities. We determined that Porter's "differentiation and focus strategies", D'aveni's "New 7'S strategies" and Miles&Snow's "prospector" strategy are suitable to apply for Bosnia and Herzegovina tourism.

Porter's and Miles&Snow's strategies can help Bosnia and Herzegovina to create general tourism strategies to compete with rivals. To apply these strategies first they need a strong location in market and for that they have to build strong and qualified accommodation facilities and advertise their untouched natural beauties.

D'aveni's strategies can help Bosnia tourism in specific markets. They can focus on markets which they are stronger like ecotourism, thermal tourism and cultural tourism.

Bosnia and Herzegovina tourism can improve quickly if they follow these steps;

1. They need to revise and renew their old tourism facilities which are damaged at war.
2. They have to use their untouched environment within a strategic plan. To provide sustainable advantage they should hinder the harmful side of tourism activities.
3. They need to announce the investment opportunities in Bosnia and Herzegovina.
4. Another advantage for Bosnia and Herzegovina is being close to countries which have people with high income levels.
5. Tourism trends indicate that tourists often travel by airplane. To compete with rivals in tourism sector Bosnia and Herzegovina need to build new airports and also need to make strategic alliances with foreign airline companies.
6. To ensure economic stability they must take the necessary measures.
7. They have to expedite actions to become a member of EU. Because rivals are supported by EU. This cause disadvantage for competition.

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