THE UNIVERSITY OF SZCZECIN

SCIENTIFIC JOURNAL
No. 574

SERVICE MANAGEMENT

Vol. 5

SZCZECIN 2010

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ISSN 1640-6818
ISSN 1898-0511

SZCZECIN UNIVERSITY PRESS

Edition I. Publishing sheet size 12,0. Printing sheet size 16,4. Format B5.
Number of copies 80 egz.

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INTRODUCTION

Dear Readers,

2009/2010 academic year is 25th consecutive year of the University of Szczecin. The pillars of university are economists, together with the scientific and teaching staff from Faculty of Management and Economics of Services. In March 2010 the Faculty will be celebrating its 20 anniversary. In 1990 Faculty of Transport and Communications was singled out and in 1999 transformed in Faculty of Management and Economics of Services the first and so far the only university department in Poland, engaged in research and teaching process in the tertiary sector.

In June 2009, the Faculty of Management and Economics of Services of University of Szczecin, was a co-organizer of II National Scientific Conference on the problems of the tertiary sector. The main organizer of the Conference was the The Department of Services Management of Poznan University of Economics. The conference focused on issues of management service organization. The effect of conference will be a collection of conference proceedings published by the Poznan University of Economics, at the turn of 2009 and 2010. The next conference will be held in Szczecin, and is planned for June 2011.

The fifth Scientific Journal *Service Management* is a collection of the results of current research of the staff of the Faculty and partner universities. It contains contributions presented in the adopted, permanent division of the thematic groups. Separated were the issues of socio-economic policy in the service sector, strategic management, finance management, marketing management and CRM, innovations management, service enterprise environment, knowledge and information management and regional management. A comprehensive range of issues relates to the last part, *i.e.* the tourism management.

I hereby invite all academics dealing with the problems of the operations of the service sector and service sector management to the presentation of research results in succeeding journals. Information for authors are given at the end of the journal.

Aleksander Panasiuk

Chapter I

SOCIO-ECONOMY POLICY IN SERVICES

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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ECONOMIC UNIVERSITIES IN POLAND WITHOUT FUTURE

Introduction

This article refers to the author's observations for the subject of the higher education in Poland. Changes which are touching our life are forcing also the need for transformations of the system of the higher education. Only thorough changes are able at present to lead that the job market will be supplied with people prepared for challenges of XXI century in Poland.

1. Diagnosis of reasons for problems of the higher education in Poland

The mission of economic universities – because this article is about them – has exhausted. It is difficult to think and speak about this fact as many universities experience heyday expressed by a growing number of students. However, facts are inevitable. Globalization processes have also affected the higher education sector. Shortening life cycles also apply to knowledge. Knowledge has become a product with a "very short validity date". Universities are not able to so rapidly change and adapt their educational offer to the needs of world of practice. We have observed a clear disproportion between expectations of business owners and what young people learn at the university. Reasons are many:

1. Excessive adherence to study majors and specialties.
   At universities one may note two types of situations: excessive adherence to the study majors offered or their frequent change as a result of changing fashions. Both cases lead nowhere. Attachment to study majors may prove great tradition and authority of a university, but most likely also proves some "standardization" of knowledge lectured there, what, after all, is a fundamental mistake. Frequent changes to the educational offer prove that the university adapts to market expectations. But do these changes come along with real transformation in the content lectured under different subjects? Very often it turns out that new names of subjects, "attractive" from the point of view of marketing, hide content lectured for 10 or 15 years without any change. This is caused by personnel shortages at universities and mentality of some lecturers, particularly those who "have reached" the habilitated doctor, or professor title and assume that they already do not have to earn anymore. I do not have to add that this assumption is incorrect and destructive at the same time.
2. Lack of courage and capability with regard to program content updates.
   Creation of original program nets by universities is a very difficult task. This is due to the s-called program minimum, namely the obligation to include major subjects imposed by MENiS (Polish Ministry of Higher Education). Only specialty subjects can and are generated by universities. However, their number is only part of hours which the university can affect. This causes that, in practice, only some hours in the program net are original ideas of a university for shaping the graduate's profile. To a large extent, the lack of an individual path of gaining knowledge results in the fact that a future graduate is not always well-prepared to meet the requirements of the labor market. Though at the present time universities are adapting their structures to the so-called Bologna system, namely three--level studies (bachelor, master, postgraduate), but time will show whether this is a good solution.
3. Too limited "intellectual mobility" of university employees.
   The issue of "intellectual mobility" of lecturers should be considered through the prism of two extreme attitudes. The first one applies to persons who throughout their whole academic career are bound to a certain field of knowledge. On the one hand, one may say that they become outstanding specialists, but on the other hand that they do not always follow the spirit

of time. Failure to take into account changes occurring in the environment results in the fact that scientific career becomes art for art's sake. It misses backing in business practice, and at the same time the group of knowledge recipients narrows down. Entrepreneurs don't want to use out-of-date solutions and students are forced to give credence to professor's views, but only owing to the examination waiting for them soon. The second group of people understand "academic mobility" on the contrary. Throughout their whole academic career they change a few times the area of knowledge which they are dealing with. They justify this by exhausted possibilities to create something new. Reality is often more down-to-earth. Lecturer--scholar also observes through the prism of students' interests in the class what is "trendy" at the given time. Hence, why be involved in "unfashionable" air transport as one can be interested in "trendy" marketing, why be involved in "unfashionable" management as one can be interested in "trendy" banking, why be involved in "unfashionable" rail transportation as one can be interested in "trendy" innovations. This predominantly results is not very good preparation of the scientist's substantive workshop, what again affects low authority of such person, in the eyes of other professors and first of all students. If the frequency of changing "interests" is high, the distance between a scientist and a pseudoscientist is very short.

4. Lack of properly diagnosed needs of business practice.
   The problem of disproportion between theory and needs of practice is not new. The point here is not the quantity of opinions, expert studies, research produced, but their quality. If we look at how these studies are reflected in really created business projects, their result must raise terror. It turns out that many works are created as art for art's sake, is simply useless in business practice. As an example one can mention studies concerning road investments in Poland. If we take into account the quantity of studies concerning motorways in Poland we should have developed their network long time ago. In reality from 5 to 10 km of motorways are built per year in Poland. And the same problem applies to the majority of investments, both these municipal ad national.
5. Structural fossilization of universities.
   In spite of the new Act on Higher Education, its application is still selective. First of all, the point is the issue related to hiring scholarly employees. The

Act was supposed to ban lecturers from having many full--time positions in many schools. Does it actually do it? Unfortunately, this is a rhetorical question. Such a situation must affect the quality of education where often a professor has at the same time classes at several universities. Universities competing with each other. In this case where is time for education?

6. "Overproduction" of people with titles – lack of actual authorities (scholarly, moral).

   Scientific development of a university is measured by the number of people holding titles of professors, habilitated doctor and PhD. A question arises whether quantitative growth goes hand in hand with quality? Looking at the rate of PhDs being conferred and the whole procedure, certainly not. In many cases little more than a year passes after graduation from higher studies and such person already attempts to defend their PhD thesis. It has nothing to do with quality, but very often Faculty Councils approve such doctorates. The place to defend a PhD thesis, in the case of people employed on faculty assistant positions is the parent university. One's own environment does not always guarantee quality of the works produced since the priority is quantitative growth in persons holding titles. It is beyond doubt that PhD thesis defence should be held in a different university than one's own workplace. This will challenge potential doctors for really much heavier work and preparation for defense of his or her work shall be much better. The parent university will guarantee this. Only a true "sifting out" threshold is writing of a habilitation thesis and postdoctoral examination. It is beyond doubt that young scholarly personnel should derive good practices from professors. Unfortunately, true scientific and moral role models are very few at different universities. Too many full-time positions, expert's reports, political parties effectively occupy professor's time, who on one part focuses on unimportant things and, on the other hand, has no time for cooperation with his younger colleagues. Such natural forms of training as "mentoring" or "coaching" very seldom can be seen at universities where predominant is general pursuit of money. A young scholar often has nobody to turn to with their problems, becoming average and focusing on "extra work".

7. Situation on the labor market and loss of young people abroad.
   Government propaganda underestimates the problem of people leaving to work abroad, simultaneously enjoying a drop in the unemployment rate in Poland. But it can be already clearly seen how the labor market begins to respond nervously. Growing shortages of qualified staff in at least several specialties create a situation that despite still high unemployment at the same time there is shortage of people to work. Expectations that persons who have left and been successful will return and support the Polish economy are daydreams at most. Only those will return who have not been successful, while others still seeing many absurds in the economy, law, politics will stay in the country which they reached supporting the local economy.

Looking for ways to get out of the deadlock in education in Poland K. Śliwińska listed the following proposed changes:[1]

a) teaching staff – in the break between teaching university teachers will be forced to shape such characteristics as: ability to think globally, appreciate cultural diversity, ability to solve crisis situations, habit of life long acquisition of new skills, ability to teamwork, self-criticism, method and many others;
b) interdisciplinary teaching – it is all about global teaching, namely one that tries to communicate knowledge not in sequences, but in the form of parallel streams, but through transfer of entire problem areas;
c) university internationalization – the university should be open to students from other countries and let Polish students obtain knowledge abroad;
d) modern combination of didactics with science;
e) a university should be open to cooperation with top enterprises, using their technical possibilities and sources of financing.

2. Applications

In the opinion of the author, one should go much further, looking for answers to the question what should be done to reverse alarming tendencies in

[1] K. Śliwińska, *Wizja szkoły wyższej. Kierunki rozwoju procesów dydaktycznych na tle postaw i aspiracji młodzieży akademickiej*, http://www.fundacja.edu. pl/organizacja/_referaty/21. pdf.

the Polish higher education? Certainly, this will be a long lasting process because it is largely related to necessary changes in the mentality of the Polish society. What is common at the present time: being average, looking for "smart" ways, cheating at examinations by students and plagiarism of scientific works by lecturers often have social acquiescence, proving that a person can cope in life. Therefore, changes need to be drastic. It is necessary to say that the next academic year will be the zero year that starts everything from scratch. This will be exceptionally difficult for all: lecturers – new subjects (one has to acquire new knowledge!) and need to write new textbooks, administrative employees – new hour schedules, student service standards and for students themselves – past cribs and "ponys" lose relevance. But it is necessary and even required to renew this sector of the economy. As Polish universities let's be pioneers in the change process, let's become a kind of benchmarks. Let other learn from us, and not as has been the case for decades that we copied solutions not always thinking whether this makes sense.

Reading this article more than one dean will think "fortunately this does not apply to my university, here everything is in order". Please ask your students – THEY WILL SET YOU STRAIGHT! See you at universities with a future.

UNIWERSYTETY EKONOMICZNE W POLSCE BEZ PRZYSZŁOŚCI

Streszczenie

W artykule omówiono problemy, z jakimi boryka się szkolnictwo wyższe w Polsce. Procesy globalizacyjne dotknęły także ten sektor usług, z czego nie wszystkie uczelnie w Polsce zdają sobie sprawę. O potrzebie zmian w szkolnictwie wyższym świadczą duże dysproporcje między oczekiwaniami pracodawców a wiedzą wykładaną na polskich uczelniach. Do tego dochodzą problemy etyczne (zjawiska patologiczne, jak ściąganie na egzaminach przez studentów, kupowanie prac magisterskich, plagiaty prac naukowych wykładowców) oraz systemowe (niedokapitalizowanie polskich uczelni, brak systemów motywacyjnych). W artykule podjęto próbę zdiagnozowania podstawowych bolączek polskiego szkolnictwa wyższego i zaproponowania kierunków zmian.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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GERMAN REFORMS OF HEALTH CARE SYSTEM IN THE CONTEXT OF FOLLOWING THE EXAMPLE WHILE LOOKING FOR SOLUTIONS IN POLAND

Introduction

Health care system is one of the five pillars of German social insurances. For years, similarly to other German social insurances, its (health care system's) problem has been too few people who pay insurance fees and, at the same time, an increase of expenses on elderly people's treatment.

From the beginning of 70 XX century, health insurance fees have been doubled and caused an increase of work cost but the system's quality has not been improved. In comparison to other highly-developed countries Germany is somewhere in the middle with regard to a life span, infant mortality rate, breast cancer. Health care system is so unregulated that all competition rules have been excluded of it. There are no market prices or clarity, the system does not operate with money because fees are counted in points. On their basis, doctors settle accounts with the National Health Service (patients never know how much a visit or a particular examination costs).

In comparison to health expenses of other countries,[1] a German system belongs to the lead as it guarantees free health care to almost all its society.

[1] In 2004 expenses on health care in Poland equaled 6.5% of GDP, in Spain and the UK – 8.1%, in the Netherlands – 9.2%, Austria – 9.6%, France – 10.5%, 10.65 of GDP in Germany

1. Statutory health care system in Germany

Health insurance is common in Germany. In May 2006, 70.4 million people (ca. 85% of the population) were under a statutory obligation of health insurance; 20.1 million were insured members of families who did not pay fees. Blue- and white-collar workers whose income does not exceed 3 562.50 euro per month (42 750 euro annually[2]), the unemployed, farmers, the retired, and from 1975 also students are subject to an obligatory insurance. This system does not include state administration workers, people who conduct their business activity and those who earn the most, whose monthly incomes are higher than a ceiling set for a given year. Those professional groups have private insurance or are voluntary members of a statutory health insurance system.

Insurance fees for working people are paid in half by an employer and an employee, by the Social Insurance Institution (Zakład Ubezpieczeń Społecznych – ZUS) for pensioners, by a work agency for the unemployed.

The following benefits are covered by obligatory insurance fees (data from 2006/2007)

- costs of medical and dentist treatment at a freely chosen doctor,
- costs of drugs, dressings, medical equipment (e.g. a wheelchair, a hearing aid),
- sickness benefits,
- costs of preventing examinations and early detection of some diseases,
- costs of prophylactic vaccinations, apart from tourist ones,
- costs of orthodontist examinations for children up to 18 years old,
- costs of necessary dentures or crowns from a medical point of view.

In 2004 some trials were made to disburden a health system by introducing surcharges to, among others, drugs and surgeries. Since November 1st, 2004 there has been a quarterly 10 euro surcharge to visits at the doctor's or dentist's, except for control/monitoring visits at the dentist's, preventing examinations and vaccinations. A funeral benefit has been abolished for those insured after 1989.

From January 2009, a procedure of accepting new members to private health insurance funds will change. Up to now, apart from appropriate incomes,

and 15.3% in the USA. Oecd health care, OECD in Figures 2006–2007, Demography and health, Health spending and resource, www. oecd.org.

[2] Thresholds of salary are set annually exactly like thresholds of pensioner insurance.

a new member has to be healthy. Private health insurance funds had the right to reject a person who would be significant burden for finances of a given fund. Therefore, up to now private health insurance funds had the healthiest, the youngest (fees were and still are set with regard to the age and thus to an increased risk of an incidence rate) and those who earn the most. With this procedure, private health insurance funds had profits and surpluses were capitalized, reaching 100 billion euro of financial reserve in 2006.[3] Statutory insurance health funds traditionally accepted anyone, including the sick, people with little money, i.e. who paid small fees, and the oldest, whose fees in a private health insurance fund would be much higher.

Situation of private health insurance funds will be subject to changes according to reformers' assumptions. The funds will have to accept everyone with appropriate incomes,[4] irrespective of his/her health condition and risk of incidence rate. Apart from that, private health insurance funds have been obliged to offer a basic fees table, similar to a statutory fees table as far as a fee's amount is concerned. It will worsen private health insurance funds' profitability.

Further reforms provide that present forms of financing the system should be changed. Fees of the insured will go to the National Health Fund (*Gesundheitsfond*) since January. For every person insured, the sickness fund will receive a lump sum from the National Health Fund and an extra allowance in case of increased risk such as sickness or old age.

Introduction of National Health Fund is strongly criticized because it will be demotivating for sickness funds. Economical-efficient competition that is already weak will completely disappear. Sickness funds will surely compete against one another to attract clients yet there will be no incentives to use allocated funds economically because unused funds will be probably paid back to the members.

The National Health Fund will also get support from taxes. This money will be used to finance social services such as feeless insurance of children. The assumption that fees will be enough to cover sick funds' expenses is a problem of a future reform. Due to the fact that benefit from the budget is

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[3] H.-J. Moritz, F. Thewes, *Augen zu und durch*, „Focus" 6/2007, p. 23.

[4] SPD proposed liquidation of private health funds. However, it has not been approved by CDU. Compare: A. Neubacher, M. Sauga, *Der Fonds-Flop*, „Der Spiegel" 24/2006, p. 83.

to be reduced, fees will increase to ca. 16% of gross pay or more. In the coalition contract (November 2005), it was decided to reduce work costs other than payroll, to stimulate new work places. Increase of health insurance fees will make the realization of this aim more difficult.

Possible further changes are being proposed and discussed. They concern, among others, surcharges of patients' visits and surgeries, changes in financing of treatment that results from accidents in one's leisure time and from doing hazardous kinds of sport, imposing an extra tax on tobacco consumption – the tax would go directly to sickness funds, giving a copy of an invoice for treatment to patients in order to improve awareness of the costs caused (financing allowances with the participation of a third party, in this case a sickness fund, has a negative influence on patients' awareness and can make them overuse the system).

2. Comparison of selected parameters of health care systems in Poland and Germany

During a system transformation, there appeared a need in Poland to introduce a new health insurance besides other elements of the social insurance system. This insurance, valid since 1999, is based on principles of social solidarity, self-government and self-financing (like in Germany). Initially, autonomous local and professional health funds that were created (in 1999 –2002 there were 17 sickness funds, including 16 provincial and 1 professional for the police, the military services and other), were recentralized as one National Health Fund – Narodowy Fundusz Zdrowia (NFZ) in 2003. Characteristics and tasks are comparable to a German statutory system of health insurance (table 1). It is also represented by regional units. However, the Polish system lacks diversity of the German system (in Germany there were 251 sickness funds in 2006).

The current situation of the Polish health care system is characteristic for previous development phases of highly-developed countries. Health situation of the population is improving despite institutional underdevelopment of the system. With regard to health care, there is no synthetic measure of population's health condition. To make a comparison, a few fixed measures have been taken, e.g. average life duration, death rate, rate of cardiovascular diseases, rate of cancer incidence, rate of infant mortality. The results let us say that health condition of the Polish society is worse in comparison to the German society

(table 2). The State Hygiene Office (Państwowy Zakład Higieny – PZH) estimates that Poland needs 17 years to make the indices similar to the average of the EU old members.[5]

Table 1. Comparison of health systems in Poland and Germany

Specification	Poland	Germany
People subject to a statutory health insurance	Polish health services are for all the society. According to NFZ data ca. 37.1 million people (97% of the community) were subject to health insurance in 2005	Health insurance is common in Germany
People not subject to a statutory health insurance	The system includes all people and does not provide for any exceptions	The system does not include state administration workers, people who conduct their business activity and those who earn the most, whose monthly incomes are higher than a ceiling set for a given year
Fee amount	8.50% (2006, 9% since 2007) of the assessment basis is paid by a person insured	12–14% of gross pay (with regard to the sickness fund chosen), a person insured and an employer pay 50% each
Sickness benefit	Maximum 6 months (9 months due to tuberculosis), 80% of assessment basis monthly	From 6th week to 78th week of the sickness, 70% of gross remuneration
Allowances realized	The so called standard allowances, e.g. Medical examinations and advice, diagnostic tests, prophylaxis, drug and medical aids supply, standard dentist allowances	
Differences	– People insured choose their family physician – Expensive and complicated treatment procedures e.g. cancer treatment, HIV and tuberculosis treatment are financed directly from the state budget	– Voluntary choice of the doctor – First access to the system in a given quarter is chargeable, to avoid further surcharges in a given quarter there should be a request to a specialist
Non-health allowances granted from this fund	Sickness allowance, rehabilitation allowance, cost of living allowance, maternity and welfare benefits (Journal of Laws 1999, No. 60, item 636)	Sickness allowance, maternity benefit, paying a fee when a maternity benefit is being received and during a maternity leave

Source: own on the basis of A. Kurzynowski (ed.), *Polityka społeczna (Social policy)*, Inst. Gosp. Społ. SGH, Warszawa 2003, p. 228; S. Owsiak, *Finanse publiczne. Teoria i praktyka (Public finances. Theory and practice)*, PWN, Warszawa 2005, pp. 536–543; G. Szpor (ed.), *System ubezpieczeń społecznych. Zagadnienia podstawowe (Social insurance system. Basic issues)*, Wydawnictwo prawnicze LexisNexis, Warszawa 2006, pp. 80–100 and 2.2.3, and 3.2.3.

[5] Compare: S. Golinowska, M. Boni (ed.), *Nowe dylematy polityki społeczne (New dilemmas of social policy)*, Raporty CASE nr 65/2006. Centrum Analiz Społeczno-Ekonomicznych, (CASE reports no. 65/2006. Center of Socio-Economic Analysis), Warszawa 2006, p. 274.

Table 2. List of population's health condition rates

Specification	Poland		Germany	
	1995	2004	1995	2004
Infant mortality per 1.000 alive births[6]	13.6	6.8	5.3	4.1
Diabetes mortality per 100 000 population	13.2	11.9	18.6	16.2
Cancer mortality per 100 000 population	–	213.8	–	168.9
Cardiovascular diseases mortality per 100 000 population	–	117.5	–	110.1
Pneumonia mortality per 100 000 population	–	18.3	–	13.4
Brain vascular diseases mortality per 100 000 population	76.4	92.2 (2003)	75.3	45.4

Source: own on the basis of *Oecd health care, OECD in Figures 2006–2007, Demography and health, Health spending and resources and Europe in figures. Eurostat yearbook 2006–07*, European Communities, Luxembourg 2007, p. 103.

Together with growth of society's prosperity, health expenses will probably grow in Poland, like in other highly-developed countries. Current low public expenditures are compensated by high private expenses directed most of all on purchase of medicines.

Health system has not decidedly influenced the improvement of the Polish society's health condition[7] (its influence is ca. 10–15%). Environmental factors have decisive influence: overall improvement of hygienic conditions, access to food, clean water, healthy lifestyle, accommodation, financial situation, good ecological conditions (together 50–60%, physical and genetic environment has ca. 20% of influence[8]). In this context, it is extremely important to promote "healthy lifestyle" through informing people about healthy food and encouraging them to do sport, as well as prophylaxis[9] and access to methods

[6] Neonatal (during 4 first weeks of life) infant mortality in Poland is mainly caused by prematurity and little birth mass.

[7] Health care system is still directed mainly at recovery medicine so is addressed to the people who are already sick.

[8] Compare: M. Johann, *Poland – EU. Comparison of society's standard of living*, Difin, Warszawa 2005, p. 273 and I. Nawrolska, *Prophylaxis and promotion in health care system – significance, perspectives of development and sources of financing* (in:) Zeszyty Naukowe Uniwersytetu Szczecińskiego (Scientific Papers of the University of Szczecin), no. 413, Szczecin 2005, p. 110.

[9] The significance of prophylaxis is still underestimated. In Poland people with health trouble go to get medical advice. This attitude should be changed. In the USA it has been calcu-

of disease early detection. A new health problem of highly-developed communities is obesity that results from lack of exercise and inappropriate high--calorie food. An active lifestyle significantly contributes to reduction of, among others, cardiovascular diseases and diabetes incidence.

The Poles' lifestyle is influenced by excessive consumption of alcohol and tobacco. Small physical activity, inappropriate nutrition and quality of food also have negative influence.[10] An inappropriate diet and lack of exercise lead to: higher blood pressure, high level of cholesterol and overweight, thus increasing the risk of cardiovascular diseases (the so called civilization diseases including cancer). Highly-developed countries have high incidence and death rates of those diseases (diabetes too – it can result from obesity caused by lack of exercise). In 2003 47.2% of all deaths in Poland and 46.3% in Germany were caused by cardiovascular diseases and 24.2% and 24.5% by cancer respectively. Among the countries compared, Poland has the highest rates, Germany has the second place with regard to deaths from cardiovascular diseases (Austria and Sweden have rates similar to the German ones; Great Britain and Denmark have lower rates, ca. 36–38%; France – the lowest, ca. 28%). As far as cancer diseases are concerned, the differences are smaller and range from 23.3% in Sweden to 24.9% in Austria.[11] These rates will not decrease with regard to improvement of medical infrastructure (in Germany diabetes mortality is higher than in Poland).

In Poland there are few workers of medical staff per 1000 inhabitants. These numbers are not only smaller in comparison to Germany but also to other European countries (Denmark, France, Sweden). With regard to a number of dentists, Poland has the last place.

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lated that each dollar spent on prevention campaigns and informing patients about appropriate actions will bring 10 $ „of savings in the future. Compare: T. Teluk, *Reform of health protection*, „Międzynarodowy Przegląd Polityczny" („International Political Review") no. 12/2005 p. 200. Similarly big significance of dentist prophylaxis brings good effects, 10 years of prophylaxis against periodontosis costs in Germany as much as one tooth prosthesis. Compare: S. Ziller, D. Österreich, *Ein effektives Mundhygiene-Intensivprogramm*, Bundeszahnärztekongress 91 no. 13, 1.7.2001, p. 59.

[10] Compare: *Social sphere in Poland against a background of the European Union and the candidate countries*, Rządowe Centrum Studiów Strategicznych. (Government Center of Strategy Studies). Departament Rozwoju i Koordynacji Oceny Skutków Regulacji (Department of Development and Regulation of Result Assessment), Warszawa 2003, p. 54.

[11] Compare: *Deutschland in der EU 2006*, Statistisches Bundesamt, Wiesbaden 2006, p. 31.

Together with few workers of medical staff, Poland lacks modern equipment for disease diagnosis. A small number of magnetic resonance imaging units and computed tomography scanners has a negative influence on an early diagnosis of, e.g. brain vascular diseases and results in a twofold increase of mortality from this type of diseases in Poland.

Together with technology development of medical science, Poland has undoubtedly big deficits in this field and it will be difficult to cover them without appropriate funds. Health care expenses in Poland are still relatively low in comparison to other countries.

Conclusions

In a health care system there are no direct implications that result from functioning of the German health care system. The German system has been undergoing continuous but not deep changes in recent years. In Poland, elements of this system should be improved, e.g. number of doctors and appropriate equipment (medical devices) in medical institutions. In order to relieve the system it is justified to introduce additional types of health insurance. Such types have been in use for many years in Germany, e.g. private additional insurance to cover the cost of new glasses or tooth prosthesis. Another possibility is to ensure a basic packet of guaranteed allowances supplemented by optional allowances that are subject to additional insurance or payment. Within the scope of papers concerning projects of changes in the health care system, in 2004 the Ministry of Health suggested a concept of three groups of allowances: guaranteed, recommended and non-standard.[12]

A model of guaranteed allowances packet could be combined with a patient's payments. It is an open question how fair this solution is. It could lead to treatment of the ill as better and worse patients, depending on a packet of insurance policies they have.

Increasing the fee or introducing uniform surcharges, like in Germany, is fairer as it does not divide patients into better and worse. In case of increasing the fee, it would be essential to decrease a fee on one of the other types

[12] Compare: S. Golinowska, M. Boni (ed.), *New dilemmas of social policy, CASE reports no. 65/2006*, Centrum Analiz Społeczno-Ekonomicznych (Center of Socio-Economic Analysis), Warszawa 2006, p. 290.

of social insurance so as not to burden salaries additionally, e.g. through decreasing social security insurance by 2 or 3% and allocating the sum together with a current fee to health insurance. Another option could be a fixed surcharge for services, e.g. in Germany once per quarter or by every visit (like in France where there is 1 € surcharge for each visit, maximum 50 € annually[13]). This charge, however, should not be high so that everybody can still have access to health services.

With expected demographic development of the Polish society and other industrialized countries, the quality of society (education, health condition) will be decisive as far as the future competitiveness of the country is concerned. The tendency of ageing population will demand innovation on the job market (flexible forms of work, possibility to take on other, lighter activities depending on the age, possibility to combine pension allowances with a job, professional training etc.) and within the scope of health services – improvement of standards and equipment of medical centers with modern devices. Due to still longer age of the population it is more and more important to take care of the population's fitness and activity through promotion of a healthy lifestyle and prophylaxis.

NIEMIECKIE REFORMY SYSTEMU OPIEKI ZDROWOTNEJ W KONTEKŚCIE CZERPANIA WZORCÓW DLA ROZWIĄZAŃ W POLSCE

Streszczenie

Zmiana struktury demograficznej społeczeństwa (starzenie się społeczeństwa) powoduje potrzebę reformowania ustawowego bezpłatnego systemu opieki zdrowotnej. Nowe, kosztowne technologie medyczne i wzrastające w miarę starzenia się społeczeństwa koszty leczenia, a zarazem stagnacyjne tendencje wpływów składkowych wywierają presję na poszukiwanie zmian mających odciążyć wydatki systemu. W arty-

[13] *MISSOC. Soziale Sicherheit in den Mitgliedsstaaten der Europäischen Union, im Europäischen Wirtschaftsraum und in der Schweiz. Vergleichende Tabellen*, Stand 1. January 2006, Europäische Kommission (European Commission) 2006, v. 5, pp. 120–122.

kule przedstawiono ważniejsze reformy niemieckiego systemu opieki zdrowotnej (po 2000 roku) w kontekście poszukiwania rozwiązań dla polskiego systemu opieki zdrowotnej.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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COMPETITIVENESS OF SERVICE SECTOR IN POLAND SIGNIFICANCE AND DETERMINANTS

Introduction

The meaning of the services in economies of at least average-developed countries constantly grows In many countries services constitute bigger part of the GNP, they have the biggest participation in employment and attract foreign investments. Technological progress and intensification of international links in the global economy also cause the growth of service participation in the international trade. In economy based on knowledge, services have deciding meaning for companies competitiveness irrespectively of the branch in which the company acts. The mentioned tendencies and also the *offshoring* intensifying makes that for many countries (among them also for Poland) there is a chance of joining the world's economy. This chance can be used on condition that services sector will some features competitiveness.

1. The essence of competitiveness

Competitiveness is a multiplane category, what makes hard to define it synonymously. Inconsistency of this concept discern among other M. Poter who does not specify the concept of competitiveness although he uses it many

times.[1] An attempt of competitiveness defining took among other M. Gorynia who determines (describes) it as "ability of competitiveness and also acting and outlasting in a competitive environment"[2] And in turns T. Tkaczyk says about capability and ability of keeping on the market and tending to company development, delaying in this way a competitiveness pression from other companies.[3] It refers to competitiveness on both national and international market products and also to competitiveness on markets. However competitiveness is not only a direct "clash" among competitive subjects but also relatively low cost of raw materials influencing on competitiveness possibilities of final goods on a given market. It shows cost competitiveness considering real prices of output factors and their using on a unit of making product. This lay down a competitive ability of final products conditioned by level and prices of the means of production.

General definition suggested by the OECD (1966) and accepted in the next researches made on European Commission order (EC, 1997,1998,1999) despite relating to industry competitiveness, it presents the essence (universa-lity) of this issue well. It presents competitiveness as „abilities of companies, sectors, regions, countries over national areas for generating relative high cost of receipts of production factors and relative high level of employment in conditions of las-ting international competition"[4]. It draws attention to three **areas of competitiveness** namely:

- ability for creating and keeping high incomes of production function on the way of productivity raising,
- ability for creating and growing employment,
- keeping high degree of opening for international competitiveness.

Multiplane of the discussed issue causes vast division in approaching to competitiveness and just by this one can say about **result competitiveness**

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[1] Compare: M.E. Porter, *Strategia konkurencji. Metody analizy sektorów i konkurentów*, PWE, Warszawa 1999, M.E. Porter, *Porter o konkurencji*, PWE, Warszawa 2001; M.E. Porter, *Przewaga konkurencyjna. Osiąganie lepszych wyników*, Wydawnictwo Helion, Gliwice 2006.

[2] M. Gorynia, *Luka konkurencyjności na poziomie przedsiębiorstwa a przystąpienie Polski do Unii Europejskiej*, Wydawnictwo Akademii Ekonomicznej w Poznaniu, Poznań 2002, p. 48.

[3] T.P. Tkaczyk, *Ryzyko gospodarowania a strategie konkurencji. Przyczynek do teorii konkurencji*, Oficyna Wydawnicza Szkoły Głównej Handlowej, Warszawa 2002, p. 68.

[4] Compare: A. Zielińska-Głębocka, *Konkurencyjność przemysłowa Polski w procesie integracji z Unią Europejską*, Fundacja Rozwoju Uniwersytetu Gdańskiego, Gdańsk 2000, p. 13.

and **competitiveness put in factor**. The first of them refers to effects evaluating of leading activity at the moment so and this static put (synchronic) indicating on competitive position. The second of them analyzes factors conditioning a long term ability of competing, and so it contains a dynamic element (diachronic put) and it determines the possibility of competing in a long period of time or for short – competing ability, that is the chances of keeping and improving of competitiveness position.[5] For a long time competitiveness the researches was limited to static analyzing, that is to document competitiveness and unfortunately it did not let to explain all doubts. However the researches in dynamic approach were started. The need of such approach of the issue has appeared in connection with

a) the lack of possibilities of identification for sources of product competitiveness level on time and also between countries;
b) the demand attractive areas in order to relocate production which was demanded by politicians (also in European Union) and above all the participants of business world, mainly international companies;
c) the combining necessity of two layers of competitiveness-one on the products market (for consignee) and the other one – on the production factors market (for manufacturers). It is connected with this that despite being seen on products level of manufacture factors and it is also around existing companies and market infrastructure. This in turn means, that "products competitiveness is a result of manufacture factors competitiveness and an effect of efficiency and development of market institutions".[6]

Competitiveness determining "ability to fight for economical surviving in condition of tighten competitiveness"[7] can have micro economical character if it refers to economy subject abilities to stay on the market in a longer time or macro economical if it refers to entire economy and it signifies growth in conditions of open economy, profit raise (positive accumulation). Leading

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[5] W. Bieńkowski, P. Sadza, *Rola instytucji w poprawie konkurencyjności gospodarki – zadania dla rządu* (in) *Konkurencyjność gospodarki polskiej a rola państwa przed akcesją do Unii Europejskiej*, ed. H. Podedworny, J. Grabowiecki, H. Wnorowski, Uniwersytet w Białymstoku, Białystok 2000, p. 58.

[6] A. Wziątek-Kubiak, *Problemy oceny konkurencyjności polskiego przemysłu* (in:) *Międzynarodowa konkurencyjność gospodarki polskiej*, raport nr 30, Rada Strategii Społeczno-Gospodarczej przy Radzie Ministrów, Warszawa 1999, p. 45–47.

[7] W. Bieńkowski, P. Sadza, *op.cit.*, p. 58 and farther.

to such structure of economy and structure of economy export which cooperates with changes in world economy and world export.[8]

Competitiveness can determine a position of given branch in the structure of national (inner competitiveness or determine an ability of national subject functioning on foreign markets and possibilities of developing effective export by them (external competitiveness – cost price etc.).[9] It can also mean an ability to sell manufacture products on prices providing a refund of incur production costs or cover alternative costs. This is then so called market competitiveness.

To sum up it must be stated that the bibliography of the subject expands a lot of attention to mega, macro and micro competitiveness underestimating the competitiveness on mezo scale. Considerations referring competitiveness on the level of "economy of the middle" are met in the bibliography relatively seldom. S. Flejterski as **mezocompetitiveness** understands "an ability to projecting and selling goods of given branch, line or division prices, quality and other advantages are more attractive than respectable prices of goods offered by competitors".[10] It is worth while to say that competitiveness defined in this way can also refer to regions competitiveness M. Poter also. In competitiveness study M. Poter also observes the most success in the analyzing of mezo economical level. He ascertains no national level means looking for answer to improper questions. Instead of this we must understand effective factors and rate of growth. To find the answer we must focus attention not on national economy as whole but on concrete sectors and their segments".[11] However it should not be interpreted as negation of researches on higher economical level. Porter only shows on the fact that original meaning for competitiveness of economy has competitiveness of companies (thus because the companies not nations compete on international market).

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[8] *Międzynarodowa konkurencyjność gospodarki – pojęcie i sposób mierzenia*, ed. M. Lubiąski, IRiSS, Warszawa 1995.

[9] A. Woś, *Konkurencyjność wewnętrzna rolnictwa*, IERiGŻ, Warszawa 2001, p. 5.

[10] S. Flejterski, *Istota i mierzenie konkurencyjności międzynarodowej*, „Gospodarka Planowa" 1984, nr 9, p. 8.

[11] M.E. Porter, *Porter o konkurencji*, PWN, Warszawa 2001, p. 200.

2. Determinants of competitiveness

There are a lot of **determinants** of **competitiveness**, some of them condition of its gaining in a short term, the other ensure its keeping in a longer perspective. It can be named here: access to resources and their quality, organization and using resources, manger abilities and results, international demand and supply conditions, climate politics and also quality factors that is[12] technological progress, innovations scale profits, products quality, management systems, work relations and manufacture processes.

Concerning with this competitiveness comprehended widely there are many sets of the factors influencing its level. In relation to economy competitiveness as a long – term ability to compete as competitiveness determinants can be ranked:[13]

a) the size of possessive natural resource (both in absolute and relative value) with taking under consideration location, climate, natural water routes etc.;
b) inherited from previous generations infrastructure in wide meaning often treated in wider range as accumulated wealth;
c) the size and quality of human resources, that is the structure of age sex education and also vertical and horizontal mobility and customs (e.g. work ethos);
d) the size of technological resources (absolute and relative value);
e) the size of capital reserves not only in absolute or relative categories but also in the size revealed in quality of financial system (bank system) in richness of products offer, in ability of using "foreign savings";
f) the submissiveness will not submit the influence of international environment and/or possibility of affecting on environment thanks to its economic, cultural (and also religious) language, ethnic unions attractiveness.

Above factors present competitiveness of given economy from the point of view of possessed resources what according to some researches (because of being passive) do not guarantee to put the competitiveness on higher level because of its improper using. From hence the set of factors below includes it

[12] A. Zielińska-Głębocka, *Konkurencyjność przemysłowa Polski w procesie integracji z Unią Europejską*, Fundacja Rozwoju Uniwersytetu Gdańskiego, Gdańsk 2000.

[13] W. Bieńkowski, P. Sadza, *op.cit*., p. 59.

self a dynamical element which let replace of possessed assets into new quality by proper processes. They are as follows:

- social – economic system,
- economic policy of a government,
- institutions quality and their stability.

In one of European Committee report there was presented a compile of its determinants connected mainly with the level of life, level of employment and with the manufacture factors as the competitiveness pyramid (Compare picture 1).

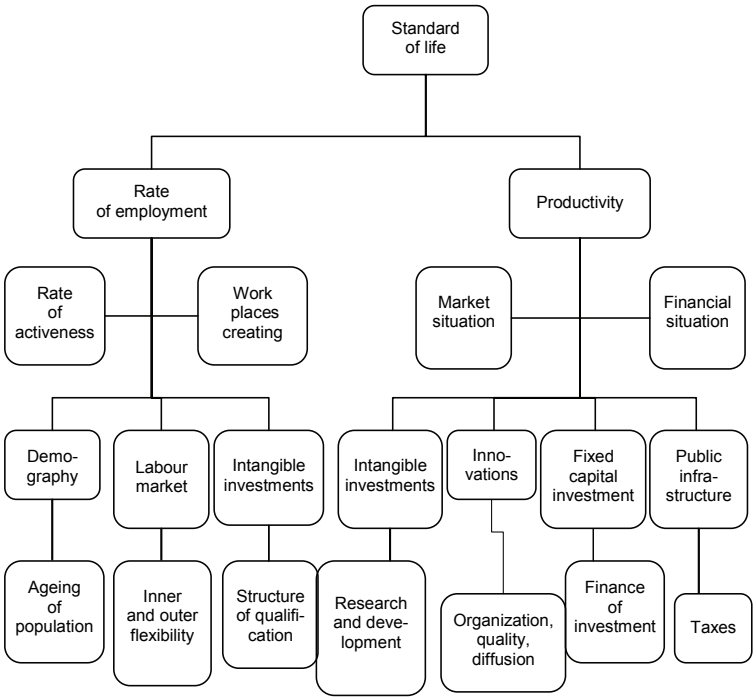

Fig. 1. Competitiveness pyramid

Source: Benchmarking the competitiveness of European industry, COM (96) 463 final, Brussels, 9.10.1996.

At the top of the **competitiveness pyramid** synthetic factor is seen which presents the standard of life (GPN *per capita*), lower levels make it "break" on employment rate, productivity, and then on the next determinants. Universality

of this conception let use it in order to analyze different economy segments and also the whole economy some particular branches of it regions or companies.[14] The pyramided may also used in the service sector.

3. Competitiveness of service sector in Poland

The feature of contemporary market is a big sector division what makes that economy risk in their range is also strongly varied. That is why it turns out to be essential to analyze sector in order to know the environment of function. One of the economy sector (providing that the division is consistent with the theory of three sectors)[15] is service sector.

To analyze sector it is necessary to collect some entry information and output data. What data they will be it depends on features of the examined sector, however it some universal and complete category of selected information can be set (compare table 1).

Specification of the researched sector also causes that for analyzing one can only use some of the mentioned data categories.

Information referring to offered services, costs level and their structure can establish the base of the **cost competitiveness** researches. This is essential because incurring low cost of manufacturing in comparison with competitors weakens some negative effects connected with operating of five propulsion efforts of the **inner – sector competitiveness** (so called five – factors analyze). The low cost save from (e.g.):[16]

a) competition from competitors side because it means getting profits even if others do not reach profits during rivalry;
b) "strong" purchasers who can use their force to reduce prices but only to level offered by next consumer in the respect of competence;
c) "strong" suppliers ensuring more flexibility in cost of outlays;
d) new competitors, creating serious barriers of coming in the respect of scale economy on price overbalance.

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[14] *Ibidem*, s. 13–14.

[15] E. Kwiatkowski, *Teoria trzech sektorów. Prezentacja i próba oceny*, PWN, Warszawa 1980, p. 10.

[16] M.E. Porter, *Strategia konkurencji*..., p. 51.

Position of lower costs usually ensures also better competitiveness condition in relating to substitutes.

Table 1. Categories of output data for sector analyzing

Data category	Statement
Goods assortment	According to enterprise
Purchasers and their behaviour	According to years
Suplement goods	
Substitute goods	According to functinal area
Development Rate Structure (season, cyclic) Determinant	
Production and distribution technology Costs structure Scale economies Added value Logistics Labour force	
Marketing and sale Market segment Marketing practice	
Suppliers	
Distribution channels (there are any)	
Innovation Sorts Sources Rate Scale economies	
Competitors – strategies targets, strong and weak points, assumptions	
Social, political, law environment	
Macroeconomical environment	

Source: M.E. Porter, *Strategia konkurencji Metody analizy sektorów i konkurentów*, PWE, Warszawa 1999, p. 356.

The data referring to **competitors** are very important set of information, that is their aims, strong and weak points, chances of fighting against – them, and also threats connected with acting on common market. The environment in which subject functions but does not have any influence on it or its influence is rather limited is not less important. However a proper "identification" of the

environment is quite difficult in reality because of lack of explicit putting bibliography concerning the subject **Economic environment** means some basic macroeconomic quantities characterizing economy, institutions serving economy with its all law system etc. **Social environment** consists of values system followed by society, ethics and company culture. Market environment including so far only direct competitors functioning in a given segment of the market turned out to be too narrow and not sufficient enough, and it rises the meaning of the competitiveness surroundings and a strategy field.

An assessment of potential, direct and indirect competitors is also essential. The first of them offer some goods which are the same or similar, the other offer substitution goods produced by using different technology. In turns potential competitors are those who want to function in given market segment and by this they will become direct or indirect competitors. Also companies from the are – production and post – production sphere with distributors and clients.

"Competitiveness surrounding means (...) a system consisted of actors and links between them, more or less hierarchy and coupled each other (...). The competitiveness system has its aim: decreasing competitiveness companies, that is their abilities for permanent facing competitiveness".[17]

Taking info consideration the specify of the discussed sector it must be cover for economic conditions in European Union (...in the view on high level of sector service links in Poland with sector service in the UE Countries, placing in Poland big companies which service services (e.g. in case of the TSL market) or innovation level (high technology services high tech).

Conclusions

As the processes of integration and globalization deepens, competitiveness has more and more meaning In situation of unlimited needs and limited resources, competitiveness stimulates social – economic progress, innovation and rational economy, "means looking for best in solutions of a proper problem in the right place and in the right time"[18] After deep social – economic

[17] M. Marchesnay, *Zarządzanie strategiczne. Geneza i rozwój*, Poltext, Warszawa 1994, p. 83.

[18] Grupa Lizbońska, *Granice konkurencji*, Poltext, Warszawa 1996, p. 133.

transformation must follow the service sector changes which took place in this sector, the sector it self needs further transformation. In the report about competitiveness of service sector referring to year 2008[19] an attention was put on innovation questions in services as an essential determinant of sector service competitiveness. Taking that maximal factor innovation could be 100, in service sector was recorded the highest value of this factor in the pension fund (90), post and telecommunication (87), financial exchange (84). Surprisingly low is the level of the factor in information technology (69) which belongs to *high – tech* services or in researches and technology analyze (60). Innovation can influence competitiveness o services sector in essential way. However it is necessary to cover the fact that this sector is characterized by big inner division. Therefore the factors forming competitiveness should be selected separately from each branch.

KONKURENCYJNOŚĆ SEKTORA USŁUG W POLSCE. ISTOTA I DETERMINANTY

Streszczenie

Znaczenie usług w gospodarkach krajów co najmniej średnio rozwiniętych stale wzrasta. W wielu krajach usługi stanowią przeważającą część PKB, mają największy udział w zatrudnieniu i przyciągają większość zagranicznych inwestycji bezpośrednich. Postęp technologiczny oraz intensyfikacja powiązań międzynarodowych w gospodarce światowej powodują także wzrost udziału usług w handlu międzynarodowym. W gospodarce opartej na wiedzy usługi mają decydujące znaczenie dla konkurencyjności przedsiębiorstw, niezależnie od branży, w której działa firma. Wymienione tendencje, a także nasilający się *offshoring* usług sprawiają, że przed wieloma krajami (w tym przed Polską) stoi szansa szerszego włączenia się w gospodarkę światową. Szansa ta może być wykorzystana pod warunkiem, że sektor usług będzie konkurencyjny.

[19] *Polska. Raport o konkurencyjności 2008. Konkurencyjność sektora usług*, ed. M. Weresa, Szkoła Główna Handlowa w Warszawie, Warszawa 2008, p. 295.

Chapter II

STRATEGIC MANAGEMENT

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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DIRECTIONS FOR ACTIVITIES WITH RESPECT TO THE FORMATION OF FTTH ACCESS NETWORK IN POLAND

Introduction

The necessary condition for development and efficient functioning of information society is the presence of technologically advanced telecommunications system that will be best capable of satisfying the emerging needs of the telecommunication character. In this connection, countries interested in a smooth transition from industrial to information civilisation should carefully refer to problems connected with the formation of telecommunications sector. This issue should be particularly applied to the market of telecommunications services in Poland as indicators of its developmental advancement diverge in their level from averages in the European Union practically in every respect of its area. This unfavourable state of affairs should not be tolerated because an omission in this matter threatens Poland with very serious consequences in future. Among many problems that bother the telecommunications market in Poland, attention should be first of all called to the lack of serious activities connected with implementation of investment projects related to the construction of networks based on new technological solutions that generate possibilities of providing telecommunications services requiring a very large demand for bandwidth. In this case, it is not only about technical solutions which adapt

the existing telecommunications network to large transmission rate but rather about application of new technologies enabling the construction of telecommunication infrastructure of the future from scratch, among which particular attention should be dedicated to FTTH (Fibre to the Home) technology. This is a far-reaching technological solution, the practical application of which should satisfy communication needs of information society for many years. However, there are activities needed that will initiate and actuate the process of constructing infrastructure based on FTTH.

1. The essence and advantages of FTTH technology

The FTTH technology enables transmission of signals and services through an optical fibre delivered directly to a household. It ensures full fibre bandwidth for every user, which in consequence allows delivery of a practically unlimited range of services to a subscriber. Therefore, it possible to admit that the concept of constructing infrastructural solutions based on the FTTH technology are the projects which for years solve problems of telecommunications operators connected with the formation of network with high transmission parameters, and allowing the same satisfaction of constantly growing telecommunication needs of the present-day civilisation. The scale of possibilities for network solutions based on the FTTH technology is best showed by a comparison with xDSL (Digital Subscriber Line) broadband technologies used at present. FTTH offers a user the maximum capacity of 2.5 gigabits per second, whereas the most advanced solutions using a technology of the xDSL type only 150 Mb/s. This means a several times larger growth in the potential of access networks and considerably larger possibilities with respect to the formation of telecommunication service offers. When presenting great possibilities that are created by the FTTH technology, one should not forget about costs connected with its implementation, in particular in the context of alternative solutions. It is accepted that creation of a telecommunications network based on FTTH is the most expensive solution because it requires construction of new access infrastructure from scratch. At the same time, the solutions based on the already aforesaid xDSL technology are definitely less expensive as they use the hitherto existing telecommunication infrastructure and are in principle limited only to the installation of broadband modems onto it. It results from the presented

information that investments connected with the construction of telecommunication access network based on FTTH require a considerable capital involvement; therefore, telecommunication operators are relatively cautious in taking decisions on implementation on new construction projects. On the other hand, the costs of investments in FTTH in areas defined as "greenfield", where telecommunication access infrastructure is not present yet and should be constructed from scratch, are definitely different. In this case, the costs of laying fibre and copper installation are in principle comparable. Nevertheless, when considering also additional financial expenditures connected even with the installation of xDSL broadband modems, it turns out that fibre technology is definitely less expensive with respect to "greenfield" areas. Therefore, it is completely incomprehensible why telecommunications operators in Poland, including also the Telekomunikacja Polska (TP S.A.), is still investing in copper access infrastructure in areas where telecommunications network is just under development. This means that there is no perspective look at the development of electronic communication networks and services.

2. The analysis of experiences with respect to FTTH implementation in the world

An increase in using the FTTH technology is particularly visible in developed countries. The leader of world's ranking in the number of access connections using FTTH is Japan. According to available data, there were 13.13 million FFTH connections in the country in March 2008, with annual growth dynamics being 16.2%. Scenario for development of FTTH access connections assumes that there should be about 40 million households connected through this technology in Japan by the end of 2011.[1] Definitely smaller advancement in the practical use of FTTH technology occurs in the United States. By the end of 2007, the total number of FTTH connections in the USA was slightly more than 2 million,[2] whereas forecasts for 2011 predict an increase to more than 16 million. On the other hand, at the same time about

[1] Fiber-Optic telecommunication market in Japan 2006. FTTH, a key driver to bring NGN, http://www.yanoresearch.com.

[2] RVA LCC Marked Research & Consulting, *FTTH/FTTP UPDATE*, http://www.rvallc.com.

1 million households were connected through FTTH access network in European countries, mainly concentrated in Sweden, Italy, Norway, Holland and Denmark. However, the increase in the number of access connections in FTTH technology in Europe was above 23% when in relation to June 2006. Plans for development of this access technology assume that there will be about 16.3 million households in Europe connected by means of FTTH, out of which about 4 million ones will be only in France.[3] Nevertheless, despite very dynamic increase, households equipped with FTTH connections will make only 8.2% of all apartments in Europe. Forecasts for development of FTTH in a longer time horizon, i.e. to 2015, are presented by IDATE report. According to this document, three scenarios for implementation of access network based on FTTH are possible, allowing for the specificity of legal regulations, competition and involvement of the authorities of respective countries in supporting FTTH technology development. The penetration rate of FTTH networks in the presented scenarios is from 20 to 80%. Such data are difficult to be interpreted undoubtedly because the interval of values is too large. This means however that development of FTTH strongly depends on a number of essential factors which can support or impede the spreading of this technology. One of the most important problems which can influence preferences of telecommunications operators with respect of investing in the FTTH technology are questions of legal regulations connected with local loop unbundling. According to the existing legal solutions, the operator with major market position (this is them who usually invest in new technological solutions) is obliged to make network infrastructure, directly reaching the subscriber's household, available to other economic entities that provide telecommunications services at a price approved by the market regulator. Such a solutions affects very favourably competition processes on the market of telecommunications services, limiting however the income of operator with major market position. Therefore, the operators who plan investments in development of telecommunications networks based on FTTH are interested in that that questions connected with local loop unbundling will not refer to this access technology. They argue that they will incur high costs connected with investment, whereas possible profits will have to be shared by them with competitive entities by offering them access to a final consumer. In their opinion, when exploiting FTTH connection on exclusivity

[3] FTTH Worldwide Market & Technology Forecast, 2006-2011, http://www.heavyreading.com.

basis, they are capable of obtaining the required profitability of carried out investments. Otherwise, there will be no economic justification and motivation for the construction of access infrastructure based on FTTH. In telecommunications services market practice, this question is addressed in different way. In the United States, for example, FCC being the regulator of the telecommunications market has issued a regulation relieving operators from the necessity of making FTTH subscriber loop available to other companies that provide telecommunications services. This relieving refers to newly built FTTH access networks and construction of FTTH networks in buildings with copper infrastructure already existing. In the latter case, however, two conditions should be maintained. The copper network has to be kept operating and not discriminated against for a period of two years, while FTTH must be made available after this time to other operators at a capacity of 64 kb/s, i.e. the one which ensures voice transmission.[4] This decision of removing the injunction of FTTH loop unbundling was reasoned by the regulator with high costs of FTTH infrastructure construction. Similar solutions on the European market have been applied in Spain; furthermore, several countries consider adoption of regulations based considerably on the American model. In diametrically different situation is telecommunications services market in Great Britain. Several years ago, a functional separation of the telecommunications operator with major market position was made into an entity dealing with provision of telecommunications services and a company being responsible for management of telecommunications infrastructure. Such a solution eliminates all problems connected with the question of regulating access to subscriber loop [line] and therefore the presented model is frequently considered as an alternative in view of limitations with respect to FTTH local loop unbundling. In telecommunications services market functioning practice, one more solution is being applied in relation to the regulation of local loop. It is accepted now that one should not depart from the question of local loop unbundling, whereas this obligation should be moved onto all entities that have access infrastructure based on FTTH. In France, for example, it is accepted that only one fibre should be installed in a building and that every entity which developed FTTH access infrastructure in a building is obliged to make the final part of optical fibre available to other service providers on non-discriminatory basis.

[4] Assessments of the unbundling policy in the U.S, http:// papers.ssm.com.

The French solution is inscribed in the legal context which regulates also the obligations of entities other than telecommunications operators, which is evidence of a serious approach to development of the FTTH technology. Nevertheless, one should be aware of the fact that the way of FTTH development adopted by France is possible for implementation only in a situation when a number of entities make investments in the construction of FTTH access networks.

The next question affecting the outlooks for FTTH formation are problems connected with development of services that would be capable of utilising the potential of this innovative technology. It is a very important issue, first of all in the context of deliberations over profitability and payback period for expenditures incurred on implementation of investments connected with FTTH. At present, when telecommunications networks existing in Poland offer a broadband access with a capacity of 256 kb/s to about 6 Mb/s, opportunities created by FTTH may seem to be greatly excessive. For an average user of telecommunications solutions, it is difficult to imagine today the services offer which is richer from that offered at present and containing access to Internet, digital TV or telephone services. One should be aware however that developing information society will generate more and more amounts of information that will be transmitted electronically. Moreover, one should take into account the fact that there is at present a dynamic development of technologies complementary to technological transmission solutions, the practical application of which will change approach to the question of telecommunications networks capacity. In order to fully illustrate this issue, exemplary telecommunications services available at present are presented in Table 1, together with their demand for bandwidth.

On the other hand, technology development will allow in the near future introduction of service solutions into the market with even larger demands with respect to bandwidth. For example, in case of LSDI (Large Screen Digital Imagery) television technology tested already in Japan, only one channel requires a capacity of 40–160 Mb/s.[5] Considering the fact that there may be at least several such channels in the programme offer, like TV sets in a household, one should look in a different way at the demand for a broad bandwidth in perspective of several years. The service forms presented above certainly do

[5] P. Urban, *Optyczna rewolucja*, „Computerworld", http://idg.pl.

not deplete the range of prospective solutions, pointing only to the potential that can be activated in a situation when FTTH access networks become commonly used.

Table 1. Bandwidth requirements in future access networks

Downstream		Upstream	
SDTV	2 Mb/s per channel	SDTV	0.2 Mb/s per channel
HDTV	8–10 Mb/s per channel	HDTV	0.5 Mb/s per channel
Basic HSI	5 Mb average	Basic HSI	2 Mb/s average
Gaming	2 Mb/s per session	Gaming	2 Mb/s per session
Multimedia surfing	8 Mb/s average	Multimedia surfing	2 Mb/s average
Videoconference learning	3 Mb/s per session	Videoconference learning	3 Mb/s per session
Home working	4 Mb/s average	Home working	1 Mb/s average
		Personal content upload	3 Mb/s per channel
		Remote home monitoring	0.5 Mb/s per session

Source: www.e-photon-one.org.

The last issue taken into account in connection with FTTH development is the question of funds directed for investments. Telecommunications operators with dominant market position state agreeably that fibre technology costs are very high. This is of course true because only the costs of covering the whole France with FTTH network are estimated at about EURO 30 milliard, i.e. as much as the cost of constructing 500 km of motorways. However, the construction of access networks base don FTTH does not have to be an exclusive domain of operators with dominant market position. The practice of telecommunications services market functioning shows that operators of urban telecommunications networks have a lot to offer in FTTH question. An excellent example confirming this statement can be Holland, where FTTH investment projects in towns are implemented by joint ventures with municipal capital contribution without participation of larger operators and even with their firm objection. The presented municipal model proves useful also in Belgium and Scandinavian countries. Interesting solutions are also the join initiative of a number of municipal power plants in Switzerland which want to build the

FTTH network as well as the partnership in this respect of housing cooperatives in Holland's cities. Another interesting solution observed in Europe's countries is laying fibre lines to buildings by developers in order to increase the attractiveness of their location. Certainly, it is difficult to expect that exclusive application of this model has given a guarantee for proper development of FTTH but it can be successfully applied as a solution complementary in relation to other ones. An important question at this level of deliberations is the problems connected with the size of financial expenditures that are necessary for implementation of FTTH network construction. Operators are giving different data as the costs of constructing one FTTH connection. In 2007, for example, AT&T and Verizon operators estimated that an average cost of constructing one FTTH connection amounted to approximately $1000–1100 (EURO 780–860) and its values decreased on average by 10% per year.[6] According to the British data from the same year, the cost of connecting one household through a FTTH connection was approximately £500 (EURO 600).[7] It is also acknowledged that up to 70% of the costs of constructing one FTTH connection is connected with indispensable earth-construction works.[8] Having this fact in mind, state or city authorities that are particularly interested in FTTH development try to support the entities investing in this technology. In France, for example, the authorities of Paris and Montpellier invest within their capacities in constructions that enable fibre lying. On the other hand, ARCEP being the regulator of the French telecommunications services market has implemented an obligation for a dominant operator to ensure access to its civil infrastructure (ducts, vaults) on the grounds of transparent and non-discriminatory conditions and cost-oriented scale of charges. The knowledge of amounts which are appropriated for FTTH development by telecommunications operators can be interesting. The declared expenditures of respective operators for development of FTTH are presented in Table 2.

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[6] FTTH deployment, Executive Summary, FTTH Council Europe, Barcelona February 2007, http://www.ftthcouncil.eu/documents/studies/IDATE_FTTH_Content_2007.pdf.

[7] http://cyfrowydom.idg.pl/news/136807.html.

[8] FTTH deployment, http://www.ftthcouncil.eu/documents/studies/IDATE_FTTH_Content_2007.pdf.

Table 2. Expenditures on development of FTTH declared by respective operators

Item	Operator	Investment objective or duration	Estimated expenditures in EURO
1.	Verizon (USA)	18 million households in 2007 –2010	18 milliard
	Neuf Cegetel (France)	2008–2009	600 million
	Iliad-Free (France)	4 million households	1 million
	Hansenet (Germany)	100 thousand households	15 million
	NetCologne (Germany)	2008–2013	125 million
	Swisscom (Switzerland)	2008–2013	5 milliard

Source: own elaboration.

3. Problems connected with development of the FTTH technology in Poland and proposed activities with respect to its implementation

The market of telecommunications services in Poland considerably differs in its level from standards adopted in the countries with advanced development of telecommunications. Particularly difficult is the situation with respect to broadband Internet (above 144 kb/s) to which only 8.4% of Poles have access, which causes that there are good reasons for a fear of digital gap appearance. Investing in the FTTH technology under these conditions, the potential of which considerably surpasses at present expectations of an average person seems to be premature. Nevertheless, when observing the development of telecommunications services, it is difficult to not see the appearance of new solutions requiring broader and broader bandwidth which are becoming a standard. A good example is high definition television (HDTV) which is not available at present in the Polish Internet due to low access network parameters. Owing to that, one should definitely invest in FTTH network because there are no alternative technologies which guarantee similar transmission possibilities. Meanwhile in Poland, the Telekomunikacja Polska has only started testing of solutions based on the FTTH technology, like a number of smaller operators. It is necessary to take up quick measures in this matter, in particular by the TP S.A. However, this operator is not interested in construction of FTTH access network due to two fundamental reasons:

- lack of motivation for implementation of FTTH,
- high costs of constructing infrastructural solutions based on FTTH.

The lack of motivation in the operator with dominant position on the Polish market results on the one hand from the fact that it has a developed telecommunications infrastructure in which the solutions are used that are based on xDSL, while on the other hand from unsatisfactory competition. In principle, one can state that infrastructural competition does not exist because there is no serious alternative for the TP S.A. telecommunications infrastructure on the Polish market. Other operators are considerably using the network of dominant operator, thus they are unable to provide services which can not be transmitted by this network. At the same time, they do not want or are not able to build an access network in large areas of Poland themselves. The Telekomunikacja Polska is not interested in costly investments in FTTH on the present conditions and there are no mechanisms that would be able to force it to do so. When perfectly realising its own strong bargaining position, this operator declares construction of FTTH access network not until the regulator of telecommunications services in Poland will suspend the obligation of unbundling the local loop built into the FTTH technology at least for a number of years. The TP S.A. argues that this allow it to obtain a payback of the high costs of constructing FTTH network. It appears that in this situation there is no other possibility than to grant such a privilege to the operator dominating on the Polish market of telecommunications services. Of course, it is necessary on that occasion to oblige in legal sense the Telekomunikacja Polska to connect a specific number of households by FTTH network. Restricting the access to local loop may also have favourable aspects. Operators who have been so far waiting only for that the Telekomunikacja Polska builds a network which they will be able to use will be forced, in fear of marginalisation of their own position, to seek new solutions, including also construction of their own access infrastructure. Such dilemmas may first of all refer to operators who have already got a permit for the construction and use of telecommunications network. This is because such a permit is licensed at least to one operator outside the TP S.A. in all numbering zones, thus it is worth to activate them. Together with a restriction referring to accessing local FTTH loop of an operator dominating on the market, there should also appear an obligation of making access to civil telecommunications infrastructure available by the Telekomunikacja Polska. This would reduce the costs connected first of all with earth-constriction works, which, as mentioned above, cover up to 70% of the costs of constructing one FTTH connection. It is a very important regulatory aspect which should be also

useful in case of municipal projects with respect to construction of FTTH. However, local governments and communities in Poland are not enough aware of the profits that result from having FTTH access network. At the same time, this is their activity, independent or in the form pf public-private partnership with existing telecommunication entities, that should become an alternative for the network of dominant operator. In addition, local governments have at their disposal the municipal infrastructure which they can use for laying optical fibres. Moreover, when issuing permits for different types of investments, they may additionally require providing technical infrastructure or building cabling for the needs of FTTH. This puts them in a privileged position towards fully commercial projects. When taking municipal projects into account, one should also allow for questions connected with investment financing. Project of this type may count on financing from various European funds. For example, the European Union appropriates approximately EURO 700–800 million in 2007 –2013 for making Internet available within the Operational Programme "Innovative Economy" from its part which is to serve a purpose of counteracting the digital exclusion. This is a substantial amount, within which it is possible to finance up to 85% of the value of investment project.

Recapitulation

The issue of FTTH development in Poland should be treated very seriously because it will not be possible to use modern service solutions without this access technology. This is because there may come to a digital exclusion of the whole country without their practical utilisation. The opinions which argue that it is still too early for FTTH because this is technology of the future should not be taken into account. Certainly, this is an excessive technology in Poland at present but one should be aware of the fact that in the perspective of maximum 5 years the services available through FTTH will become a standard in Europe. Until then, FTTH telecommunications network should be created in Poland, which obviously will not be an easy process, taking into account a long time for the formation of network infrastructure as well as the problems connected with acquisition of funds for investments.

KIERUNKI DZIAŁAŃ W KSZTAŁTOWANIU SIECI DOSTĘPOWEJ FTTH W POLSCE

Streszczenie

Koniecznym warunkiem sprawnego funkcjonowania społeczeństwa informacyjnego jest istnienie zaawansowanych technologicznie systemów telekomunikacyjnych, które będą zdolne do pełnego zaspokojenia potrzeb telekomunikacyjnych. Wymaganiom takim może sprostać sieć FTTH, oparta na rozwiązaniach światłowodowych. Pomimo bardzo dynamicznego ich rozwoju na świecie, w Polsce brakuje programów budowy tego rodzaju infrastruktury telekomunikacyjnej. W artykule omówiono konkretne działania, które mogą bardzo przyspieszyć rozwój sieci FTTH w Polsce.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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RISK MANAGEMENT IN GLOBAL SUPPLY CHAIN

Introduction

World trade liberalization, looking for new markets beyond the country border, new technology and marketing strategy development, consumption model standardization, all these factors have contributed to globalization process development.[1] Globalization stands for activities which proceed across geographical and organizational borders and creation processes which form global economy – countries are strictly connected to each other with investments, trade and companies' cooperation.[2] E. Gołembska defines globalization as a process which consists in creation of world network trade of goods and services, world transportation system development and world information system.[3] Globalization process has mostly affected companies' activities, which, searching for the lowest costs of supply and production, highest quality, more advanced technology or access to resources inaccessible

[1] J.J. Coyle, E.J. Bardi, C.J. Langley, *Zarządzanie logistyczne*, PWE, Warszawa 2002, s. 614–617.

[2] *Globalizacja problemy i konsekwencje*, ed. W. Durka, J. Jonczek, D. Sierżański, Uniwersytet Szczeciński, Szczecin 2003, s. 35.

[3] E. Gołembska, *Podstawowe problemy logistyki globalnej, międzynarodowej, eurologistyki*, Wydawnictwo Naukowe Wyższej Szkoły Kupieckiej, Łódź 2007, s. 10.

in their countries,[4] have started cooperation with units located in different parts of the world forming global supply chains.

Global supply chains (defined as exploration, extraction, production, trade, service companies and their clients cooperating in different functional and geographical areas, with stream of goods, information and finance flowing between them), must overcome many problems which endanger theirs efficient and effective trade.

1. Risk in supply chains

The definition of risk (J. Penc) says that risk is a likelihood of incurring losses by an entity as a consequence of making decision, with the assumption that risk is referring to recurrent events and is measurable (this establishment distinguishes risk from uncertainty). In companies there are four types of risks:[5]

a) systematic risk – connected with social, economic, political and ecological conditions etc. which affect the company's activities;
b) unsystematic risk – connected only with the specific conditions in which company operates in different industries;
c) business risk;
d) financial risk.

There are many factors which affect risks in supply chain, for instance: ineffective risk management that causes reduction in product quality, financial losses, damage to property and equipment, loss of reputation in the eyes of suppliers and customers. Increase of risk is caused also by economical, political and social development, globalization, complexity and dynamism of supply chains, involving more partners in supply chains, uncertainty in transactions, which can be replaced only by long-term cooperation, terrorism,

[4] *Logistyka ponad granicami*, S. Abt, Biblioteka Logistyka, Poznań 2000, s. 152–153.

[5] J. Penc, *Leksykon biznesu*, Agencja Wydawnicza Placet, Warszawa 1997, s. 389.

military actions, different types of diseases and natural disasters.[6] Causes of sensitivity to disturbance in supply chains should be searched in:[7]

a) looking for competitive predominance in supply chains area (for example looking for reserves using lean practices, supplies from cheapest countries, Just in Time, outsourcing and single-sourcing),
b) technological changes (risk of e-business),
c) economical globalization (global competition).

H. Brdulak divides risks in supply chains into external and internal risks. External risks includes risk connected to macro environment (economy, political situation, legislation, natural environment etc.), mezo-environment (economic situation in each sector, competition level, tendency to connections, sector's life cycle) and risks relevant to demand and supply. Internal risks relevant to changes in procedures, organizational structure, directors and managers and security of goods, production, information, workers, environment.[8]

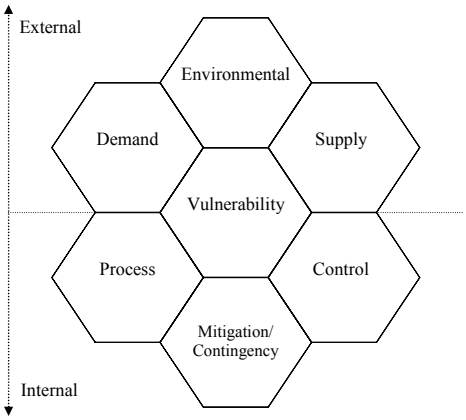

Fig. 1. The drivers of supply chain risk

Source: A. Braithwaite, *The Supply Chain Risks of Global Sourcing*, Supply Chain Strategy and Trends – Globalization, LCP Consulting 2003, pp. 6.

[6] O. Khan, B. Burnes, *Risk and supply chain management: creating a research agenda*, „The International Journal of Logistics Management" Vol. 18 No. 2, 2007, pg. 204–205.

[7] S. Konecka, W. Machowiak, *Kryzysogenne kategorie ryzyka specyficzne dla procesów logistycznych i łańcuchów dostaw*, I Międzynarodowa Konferencja Logistyczna INTLOG 2006, s. 3.

[8] H. Brdulak, *Zarządzanie ryzykiem a zarządzanie wiedzą w sieci dostaw*, „Gospodarka Materiałowa i Logistyka" nr 11, 2007, s. 4.

Research of the Cranfield School of Management (Great Britain) has allowed to identify dimensions of risks origins in the supply chains.[9]

External risks in supply chain consist of demand, supply and environmental events. The risks initiated by external environment are relevant to all activities or events on which companies belonging to supply chain have no influence. These risks refers to potential and actual disturbances to flow of products, information and cash between companies and their market. Internal sources of risks are related to disturbances in supply chain processes, control over the processes and strategies of mitigation and contingency. Control over the processes relevant to assumptions, rules, systems and procedures, which point out how organizations creates and supervise their processes and risks is defined here as a degree of implementation to these rules. Organization has to choose appropriate risk strategy.[10] The strategy of risk reduction – mitigation deals with financial and operational area. Financial risk can be mitigated by assurance and operational risk is supported by two tactics: inventory and sourcing. Contingency uses tactics such as demand management and rerouting (change of suppliers, vehicle, transport, production at alternative locations, caused by disturbances in supply chain). Risk optimization often demands a strategy which is combined with mitigation and contingency. New strategy would apply to partial purchases from a reliable source and simultaneously maintaining reserves.[11]

Supply chain globalization induces widening risks group to:[12]

- exchange rate risk,
- risk in defeating technological barriers between partners from different countries,
- risk connected with different organizational cultures,
- global asymmetric dangers.

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[9] A. Braithwaite, *The Supply Chain Risks of Global Sourcing*, Supply Chain Strategy and Trends – Globalization, LCP Consulting 2003, (http://www.stanford.edu/group/scforum/Welcome/White%20Papers/The%20Supply%20Chain%20Risks%20of%20Global%20Sourcing.pdf).

[10] A. Braithwaite, *The Supply Chain Risks of Global Sourcing*, Supply Chain Strategy and Trends – Globalization, LCP Consulting 2003, pp. 6–7; (http://www.stanford.edu/group/scforum/Welcome/White%20Papers/The%20Supply%20Chain%20Risks%20of%20Global%20Sourcing.pdf).

[11] B. Tomlin, *On the Value of Mitigation and Contingency Strategies for Managing Supply Chain Disruption Risks*, „Management Science" Vol. 52, No. 5, May 2006, pp. 639–640.

[12] E. Gołembska, *Podstawowe Problemy Logistyki Globalnej, Międzynarodowej, Eurologistyki*, Wydawnictwo Naukowe Wyższej Szkoły Kupieckiej, Łódź 2007, s. 27.

2. Ways of management supply chain risk

Risk management in companies is supported by different types of systems. One of such systems connecting strategy, processes, people, knowledge and IT[13] is ERM (Enterprise Risk Management). ERM is defined as "a process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives". ERM consist of eight interrelated components: internal environment, objective setting, evident identification, risk assessment, risk response (avoiding, accepting, reducing or sharing risk), control activities, information and communication, monitoring.[14]

Risk management in supply chain demands usage a systems approach (which means paying attention to all supply chain problems, not to a single company) and process approach (analysis of every process in supply chain).

Risk management in supply chain requires taking up activities:[15]

- analyse supply chain – structure of network, key measures, respondability inside supply chain,
- identify internal and external sources of uncertainty,
- examine the subsequent risk – likelihood of occurrence, stage in life cycle, exposure, likely triggers, likely loss,
- manage risk – risk position, risk scenario,
- individualize the most adequate real option – defer, stage, explore,
- implement supply chain risk strategy.

Security in supply chains can be assured by various systems, such as, for example SCRM Supply Chain Risk Management. SCRM is built of Enterprise Risk Management (ERM) elements and Supply Chain Management (SCM) elements. SCRM supports taking up decisions in the most important areas in supply chain (for instance deliveries on time or health and security management

[13] IT – Information Technology.

[14] *Enterprise Risk Management – Integrated Framework. Executive Summary*, Committee of Sponsoring Organizations of the Treadway Commission (COSO), September 2004, pp. 2–4.

[15] F. Cucchiella, M. Gastaldi, *Risk management in supply chain: a real option approach*, „Journal of Manufacturing Technology Management" Vol. 17 No. 6, 2006, pp. 709.

in production)[16] and considers connecting with global dimension of supply chain dangers.

The other system supporting risk management is integrated to security standards risk management system in accordance with norms ISO/PAS 28000, which supports protection of companies that belong to supply chain (also global supply chain) from theft, fraud, destruction, terrorism or smuggling. This system is relevant to management of finance, production, information, packing devices, transport, warehouses, and is connected to many aspects of business management. Main purposes of the system are: analysis and risk evaluation, risk and critical points identification, implementation of appropriate risk measures, process reliability optimization in supply chain. ISO/PAS 28000 family includes the following norms which are published as a International Standards:[17]

a) ISO/PAS 28000 – Specification for security management systems for the supply chain;
b) ISO/PAS 28001 – Security systems for the supply chain – Best practices for implementing supply chain security – Assessments and plans – Requirements and guidance;
c) ISO/PAS 28003 – Security systems for the supply chain – Requirements for bodies proving audit and certification of supply chain security management systems;
d) ISO/PAS 28004 – Security systems for the supply chain – Guidelines for implementation of ISO 28000.

Next new norm belongs to this family is ISO/PAS 28005 Ships and marine technology – Computer applications – Electronic port clearance (EPC).[18]

ISO/PAS 18000 system relevant to different types of companies such as manufacturers, logistics operators, truckers, railroads, air carriers, ocean carriers, marine terminal operators, cargo agents, mode agents, customs agents, financial and information services, customers etc. System can be matched up with every supply chain need and with individual objectives and needs of companies. It allows to avoiding conflicts, costs and complications which are

[16] http://www.springerlink.com/content/hj66223571616220/.

[17] *ISO/PAS 28000 Certyfikacja systemu zarządzania bezpieczeństwem. Bezpieczeństwo w łańcuchu dostaw,* Germanischer Lloyd Certification – Baltic Sea Sp. z o.o.

[18] Ch. Pierscall, *Securing the global supply chain*, „ISO Focus", October 2007, pp. 33.

connected with various requirements in every country and allows trading between companies all over the world.[19]

Companies which want to reduce risk in their activities can use other systems such as BCM Business Continuity Management or Information Security Management System (ISO/IEC 27001). BCM allows assuring continuous business processes and is a key component of CEM Comprehensive Emergency Management Programs.[20] ISO/IEC 27001 is a standard which allows designing, implementation, management, maintenance and enforcement information security and control processes.[21]

Limiting risk in supply chain enables activities identified by O. Khan and B. Burnes for example: closer working relationship with suppliers, purchasing partnership, supplier certification, quality and auditing programs, supplier improvement programs, multiple or single sourcing, inventory management, communication and early involvement of suppliers in strategic decisions, buffers in supply chains, strategic alliances, risk sharing and knowledge transfer, focus on core competences, product differentiation, entrepreneurial and risk taking, proactive supply management.[22] The risk security factors according to M. N. Faisal, D. K. Banwet and R. Shankar are for instance: information sharing, agility in the supply chain which is defined as ability to thrive in a continuously changing, unpredictable business environment, trust and collaborative relationship among supply chain partners, information security, corporate social responsibility in proper risk management in case of political, ethical, environmental activities taken up by partners in supply chain, aligning monetary incentives and revenue sharing policies in all links of supply chain, strategic risk planning, risk and knowledge about risk sharing and also continual risk analysis and assessment.[23]

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[19] Ch. Piersall, N. Williams, *ISO/PAS 28000 applies management system approach to security of global supply chains*, „ISO Management Systems", January–February 2006, pp. 20–21.

[20] http://www.davislogic.com/bcm.htm.

[21] http://www.iso27001security.com/.

[22] O. Khan, B. Burnes, *Risk and supply chain management: creating a research agenda*, „The International Journal of Logistics Management" Vol. 18 No. 2, 2007, pg. 208.

[23] M.N. Faisal, D.K. Banwet, R. Shankar, *Supply chain risk mitigation: modeling the enablers*, „Business Process Management Journal" Vol. 12 No. 4, 2006, pp. 537–541.

Conclusions

In a variable business environment, risk is one of the most important aspects of a company's activities. In time of globalization activities, special attention is turned to security of people, products, all operations and processes in supply chains. Reducing risk in supply chains' activities is possible owing to appropriate preparation for different types of risks. It can be easiest when supply chains implement risk management systems suitable for them. There are many such systems in the world, and all of them are created to achieve one target – maximum safety in company's activities and between cooperating companies. Safety assurance consists mainly in identification of dangers in global supply chains, implementation of appropriate risk measures, which allow analyzing and evaluating future risk, and risk management, which means usage of methods and tools supporting decisions in various areas in supply chains.

ZARZĄDZANIE RYZYKIEM W GLOBALNYM ŁAŃCUCHU DOSTAW

Streszczenie

W artykule przedstawiono problematykę związaną z zarządzaniem ryzykiem w łańcuchach dostaw działających na rynkach globalnych. Globalizacja łańcuchów dostaw zwiększa ryzyko działających w nim przedsiębiorstw przez pojawienie się różnego rodzaju trudno przewidywalnych zagrożeń. W pracy wyróżniono różne rodzaje ryzyka i ich charakterystykę w łańcuchu dostaw oraz omówiono sposoby zarządzania zwiększające bezpieczeństwo funkcjonowania łańcucha dostaw.

Chapter III

FINANCE MANAGEMENT

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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BRAND COMPETITION AMONG MOBILE PHONE OPERATORS ON THE POLISH MARKET

Defining a brand is not easy because of its multidimensional nature and perception in the context of various phenomena pertaining to a product, service and a firm. Brand can mean various things. The major association it evokes is high quality. Potential clients are willing to pay more for a brand product, that is a product of high quality. This factor is the most important link in winning their loyalty. Only a satisfied client can develop their long-term attachment to a company.

One of many definitions found in the literature refers to a brand as "a combination of a physical product/service, its name, packaging, advertising and accompanying distribution and price. It is a combination which distinguishes the offer of a given manufacturer or a service provider from competitors' offers and provides the consumer with unique functional and/or symbolic advantages. Thus, it creates a group of loyal clients and opens a way to a leading position on the market".[1] According to the American Marketing Associa-

[1] J. Kall, *Silna marka, istota i kreowanie (A strong brand, idea and creation)*, PWE, Warsaw 2001, p. 12.

tion, a brand is: "A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers".[2]

The fact that the value of Coca-Cola, the strongest brand in the world, is estimated at U$65,324 million shows how important a brand is on the contemporary free market.[3] On our domestic market, brands of telecommunication operators enjoy a very high ranking and are valued accordingly. An example is a ranking of brands according to their value as announced annually by Rzeczpospolita, a national daily, in its supplement "Polish Brands, a ranking of the best Polish brands". In 2007, the first forty companies included as much as 7 telecommunication brands (6 of them are mobile phone operators). A very high second position in the ranking went to Telekomunikacja Polska with the value of PLN 2,430.4 million.[4] It is to emphasize that all mobile phone brands increased their value in relation to that of 2006:

- Era +4%,
- Plus GSM +13%,
- Era Tak Tak +3%,
- Simplus +10%,
- Heyah +11%,
- POP +45%.

Percentage increase in brand value among mobile phone operators in comparison to 2006 is presented in Figure 1.

Brand value ranking for telecommunication operators in 2007 is presented in table 1.2.

The Polish mobile phone market has four major operators:

1. Polska Telefonia Komórkowa Centertel Sp. z o.o. (with brands of **Orange**, **Orange Go**, and **Pop**).
2. Polska Telefonia Cyfrowa Sp. z o.o. (**Era**, **Era Tak Tak**, **Era Biznes**, and **Heyah**).
3. Polkomtel S.A. (**Plus GSM**, **Simplus**, and **Sami Swoi**).

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[2] P. Kotler, *Marketing analiza, planowanie, wdrażanie i kontrola (Marketing, Analysis, Planning, Implementing and Controlling)*, Gebethner i Ska, Warsaw 1994, p 410.

[3] Interbrands, *Best Global Brands 2007*, www.interbrand.com, 5.05.2008, p. 13.

[4] *Detronizacja lidera, ranking marek według wartości (Deposition of leaders, brands ranking by value)*, „Rzeczpospolita", 6 December 2007, p. 10.

4. Project 4 (P4) Sp. z o.o., the youngest operator, which started providing its services on 16th March 2007 by offering services under a brand name of **PLAY**.

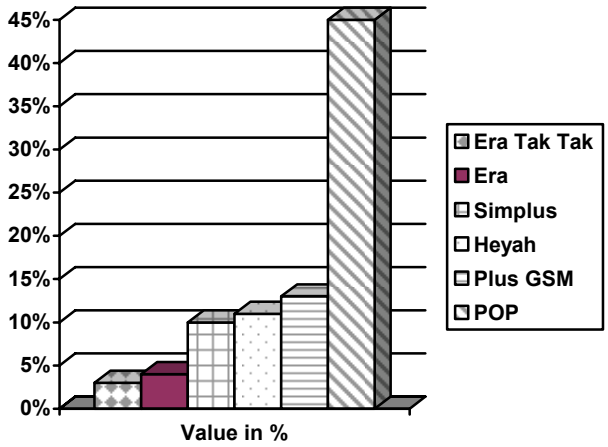

Fig. 1. Brand value among mobile phone operators on the Polish market in 2006–2007

Source: *own materials.*

Table 1. Brand value ranking for telecommunication operators in Poland in 2007

POSITION	BRAND	BRAND VALUE (PLN million) in 2007	BRAND VALUE (PLN million) in 2006
2	*Telekomunikacja Polska*	2,430.4	2,597.2
5	*Era*	1,346.4	1,290.4
6	*Plus GSM*	1,118.4	0,989.9
7	*POP*	0,938.2	0,647.0
20	*Era Tak Tak*	0,473.7	0,461.6
23	*Simplus*	0,423.9	0,386.1
31	*Heyah*	0,344.7	0,309.6

Source: own materials based on M. Ankiewicz: *Ranking marek według wartości*, dodatek Marki polskie (*Ranking of brands by their value, supplement of Polish Brands*), „Rzeczpospolita", 6 December 2007.

We need to remember about rapidly developing virtual operators. There are seven of them on the Polish market:[5]

- **MobilKing,**
- **mBank mobile,**
- **Cyfrowy Polsat,**
- **Carrefour Mova,**
- **myAvon,**
- **Snickers Mobile,**
- **VPmobi.**

It may seem that four traditional operators are few and it should be easy to compete on such a market. It can be very misleading. Although operators have a powerful weapon which is price and added value of a telecommunications service, it is an edge cutting both ways and competitors immediately react to any changes in the offer introducing their own measures. Of course, the client benefits the most, since the fight between the operators translates into measurable benefits for subscribers. It should also be noted that despite tough competition, phone call prices in Poland are much higher than for instance on telecommunication markets in many EU countries.

The Polish mobile phone market comprises 38.81 million subscribers (as of 2007).[6] The fight for the client on the market involves not only competing by price, but more often by quality and related to it brand creation. This is the result of increased competition and looking for new, efficient methods of improving a competitive position in this difficult market segment. Firms have recognised a large potential of a strong and well built brand.

An opportunity for operators is to become distinguished from competitors at the brand level. According to K.G. Strouse, telecommunication operators on the free market enjoy great opportunities as regards ways and strategies of creating brands for their services. Factors that may limit the process include creativity and budget. A relevant combination of advertising, quality and customer service may create a service brand that becomes a household name among clients.[7]

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[5] As of 12.10.2008.

[6] K. Dębek, *Komórkowa awangarda (Cellular avant-guard)*, Forbes, Premium Brand Report, Brands in Poland 2007, June 2007, p. 90–92.

[7] K.G. Strouse, *Marketing Telecommunications Services, New Approaches For a Changing Environment*, Artech House Inc., Boston, London 1999, p. 151–152.

Before a company starts providing its services, it needs to find a way for a fast identification of its services among clients. Selecting an appropriate logo, name and colours to represent the brand is the first and very important step towards creating a brand. This applies in particular to a service brand, since it is an intangible good in itself offered by the operator: "a service involves all activities related directly and indirectly to meeting human needs, but not used for manufacturing".[8] For a service user, who is deprived the possibility of testing a telecommunication service in advance, knowledge of the brand and operator's reputation is a basis to make a decision on using a specific service.[9]

At the first glance, creating name and logo seems easy. However, there are many examples of badly selected names and trade marks for service companies. The use of complicated and meaningless acronyms happens too often. While creating name and logo, many companies, including telecommunication operators, use AIDA principles,[10] namely:

- **Attention** – a name should attract attention,
- **Interest** – a name should sustain interest in a brand,
- **Desire** – a name should stimulate desire to posses,
- **Action** – a name should result in purchase.

It should be said that using the AIDA model is only one step towards name and logo for a successful brand.

Everyone in Poland easily identifies a characteristic, blue and white logo of Era, orange colours of Orange, and a green logo of Plus. Operators, however, decided to adopt additional brands which develop independently. Examples include Pop, Sami Swoi and a very original Heyah (it is impossible to mistaken the red hand for another brand). The youngest operator has introduced aggressive colours of Play (violet and while stripes attract attention).

Mobile phone companies on the Polish market are aware of the importance of a strong brand and accurately select a name and logo, as well as other elements comprising a strong brand. These include a relevant brand strategy,

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[8] *Wybrane aspekty funkcjonowania rynku usług telekomunikacyjnych (Selected aspects of functioning on the telecommunication service market)*, ed. H., Babis W.M. Maziarz, Foundation for Development of Szczecin University, Szczecin 1999, p. 132.

[9] *Wprowadzenie do ekonomiki firmy telekomunikacyjnej (Intorduciton to economics of a telecommunication company)*, ed. H. Babis Foundation for Development of Szczecin University, Szczecin 1999, p. 191.

[10] J. Altkorn, *Strategia marki (Branding Strategy)*, PWE, Warsaw 1999, p. 94–95.

activity, creation, strengthening brand awareness building among current and prospective service users, use of the Internet in the brand creation process known as I-branding. A very accurate and up to date example of creating a brand image is the advertising campaign by Play. When entering the market, the brand started an aggressive advertising campaign in all media, with a particular emphasis on the Internet. Apart from a classical advertisement on web portals, Play appeared in Second Life, one of the most popular multiplayer games in the world. In a virtual reality players (potential clients) could meet the logo and company name, and thus their awareness of the new operator was strengthened. The message was very simple, players will associate Play with their favourite pastime and it will certainly push some of them to use the service. The game includes all advertisements of the brand. It is possible to join a virtual Play club, and in the future a virtual island is to be created.[11] While developing its brand Play, the company recognised the potential of interactive games such as Second Life. At the moment, the game attracts 20 thousand registered users in Poland, and 5 million in the world. Isn't it an ideal place to create a brand? The example confirms an opinion that creative thinking while developing a brand is a crucial success factor on the mobile phone market.

The telecommunication market in Poland has exceeded PLN 40 billion and it is still growing. Its annual increase of 2007 was 4%.[12] Since the upward trend will slow down due to market saturation, the brand in combination with quality will play an increasingly important role on the mobile phone market.

Summarising, creating a brand for a telecommunication service is an important task for operators or representing them expert groups. An accurate brand strategy should provide current and potential clients with much positive information prompting them to buy the service. In the era of the Internet, possibilities of branding are much larger. However, it is important to achieve synergy between traditional and virtual forms of branding.

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[11] *Nowatorska reklama Play poprzez Second Life (Innovative advertising by Play through Second Life)*, http://wirtualnemedia.p, wirtualnemedia.pl, section Telekomunikacja, l, 5.04.2007.

[12] *Rynek telekomunikacyjny świętuje wzrost zysków (The telecommunication market celebrates increase in profit)*, www.bankier.pl, Bankier.pl, section Wiadomości, 3.11.2006.

KONKUROWANIE MARKĄ PRZEZ OPERATORÓW TELEFONII MOBILNEJ NA RYNKU POLSKIM

Streszczenie

Definiowanie marki nie jest łatwe ze względu na jej wielowymiarowy charakter i sposób postrzegania w kontekście różnych zjawisk, jakim podlega dany produkt, usługa lub firma. Termin marka ma różne znaczenie. Najsilniej jest jednak utożsamiane z wysoką jakością. Potencjalni klienci skłonni są zapłacić więcej za produkt markowy, czyli taki, który ma wysoką jakość. Czynnik ten jest najważniejszym ogniwem w pozyskiwaniu lojalności klienta. Tylko zadowolony klient może okazać w przyszłości swoje przywiązanie do firmy.

Rynek usług telekomunikacyjnych w Polsce przekroczył w 2007 roku wartość 40 mld PLN i ciągle rośnie. Tendencja wzrostu będzie się zmniejszać powoli, co jest efektem nasycenia rynku. W tej sytuacji rola marki w połączeniu z jakością usługi będzie odgrywać coraz większą rolę na rynku usług telefonii mobilnej. Kreowana marka usługi telekomunikacyjnej jest ważnym zadaniem operatorów lub działających w ich imieniu grup eksperckich. Zastosowanie odpowiedniej strategii dla marki powinno dostarczyć dużo pozytywnych informacji obecnym i potencjalnym nabywcom, potwierdzających celowość zakupu danej usługi. W dobie Internetu poszerzają się możliwości kreowania marki. Ważne jest, aby zachować synergię między tradycyjnymi formami kreowania marki i wirtualnymi.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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THE STRUCTURE OF THE FINANCIAL INTERMEDIARIES IN THE UNITED STATES*

The issue of financial intermediaries, their structure and functions they perform are connected with the financial intermediation theory. There are fundamentally two different approaches referring to the analysis of financial intermediation:

a) taking as given the existing institutional structure of financial intermediaries (helping the institutions currently in place to survive and flourish);
b) the functional perspective – takes as given the economic functions performed by financial intermediaries (what is the best institutional structure).[1]

There are six core functions performed by the financial system:[2]

a) providing a payments system for the exchange of goods and services;
b) providing a mechanism for the pooling of funds to undertake large--scale indivisible enterprise;

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* No translation was made. This article was written by the author in English.

[1] http://www.suerf.org/download/studies/study20031.pdf.

[2] F. Allen, A.N. Santomero, *The Theory of Financial Intermediation*, The Wharton Financial Institutions Center, The Wharton School, University of Pennsylvania, Pennsylvania 1996.

c) providing a way to transfer economic resources through time and across geographic regions and industries;
d) providing a way to manage uncertainty and control risk;
e) providing a price information that helps coordinate decentralized decision-making in various sectors of the economy, providing a way to deal with the asymmetric-information and incentive problems.[3]

Financial intermediaries play a vital role in every free market economy as they are, in most cases, the core institutions of a financial system. The term "financial intermediary" has a broad meaning and refers to an institution, firm or individual who performs intermediation between two or more parties in a financial context.[4] In most cases the first party is a product or service provider and the second party is a consumer or customer.

Intermediaries, in addition to offering custom products and services, serve an important function of creating and testing new products as a part of the general financial innovation process. On one hand, financial markets and intermediaries are institutions competing with a particular product activity. On the other hand, from the perspective of the evolving financial system, they are complementary institutions, reinforcing and improving each other in their functions.[5]

In the United States financial intermediaries are those institutions that facilitate the process of channeling funds between lender and borrowers indirectly. This may be in different form, eg. loans, mortgages. Alternatively, they may lend the money directly via the financial markets which is known as financial disintermediation. The most common types of financial intermediaries in USA are as follows:

– banks,
– building societies – saving and loan associations (S&L),
– credit unions,
– financial advisers/brokers,
– collective investment schemes/mutual funds,
– insurance companies (including life insurance companies) and pension funds.

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[3] B. Scholtens, D. Wensveen, *The Theory of Financial Intermediation: An Essay on What it Does (Not) Explain*, SUERF – The European Money and Finance Forum, Vienna 2003.

[4] http://en.wikipedia.org/wiki/Financial_intermediary.

[5] E.F. Fama, *Banking in the theory of finance*, "Journal of Monetary Economics" 6, 1980, pp. 39–58.

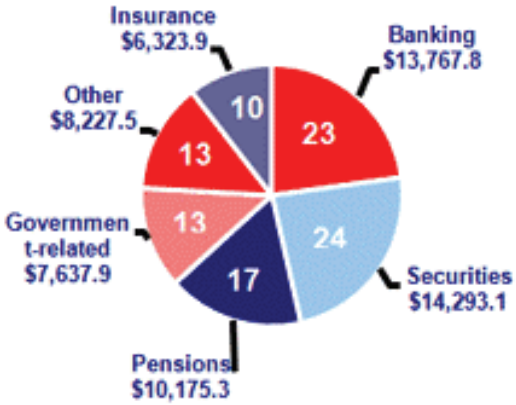

Chart 1. Assets of financial services sectors 2007 ($ billions)
Note: Percents do not add to 100 percent due to rounding.

Source: Board of governors of the Federal Reserve System, June 5, 2008 at http://www.iii.org/financial2/fsataglance/ataglance.

1. Banks

Banks constitute a special type of entities in the business of earning profits. The American commercial banking system is unique – it is a class by itself. In most countries, four or five large banks typically dominate the banking industry. In the United States, unlike in most European countries, there are almost 8000 commercial banks. They are very diverse in terms of their size and they are perceived as innovative and flexible in adjusting to the needs of constantly developing economy. Characteristic features of the US banking system are presented below:

a) large number of commercial state banks (assets usually not exceeding US 100 mln);
b) national banks play the key role in banking system – they own more than half of the assets in the commercial banking system;
c) increasing number of branches of national as well as state banks (due to the process of liberalization and deregulation);
d) a small proportion of bankruptcy in banking sector (thanks to the strict law regulations);

e) high level of money deposit security (bank deposit insurance[6] is more developed than in the EU);
f) range of bank services and geographical expansion of banks have been limited for decades by strict law regulations (Glass-Steagall Act in 1933);
g) limited activity of banks on the stock exchange market (non banking intermediaries like securities dealers as well as foreign banks from Canada and Europe were active in this field basing on the aforementioned Glass-Steagall Act);
h) growing competition due to the activity of non-banking financial institutions, especially investment funds and pension funds;
i) banks offering mutual fund services in order to broaden their range of activities and to become more competitive;
j) banks active abroad, gaining high profits on foreign markets;
k) acquisition of American banks by foreign banking groups is very unique.[7]

Financial intermediaries (especially such as banks) are declining in importance and are being superseded institutionally by financial markets. Intermediaries and markets compete to be the provider of financial products. Improving technology and the continuing decline in transactions costs has added to the intensity of that competition.

American banking system also includes non-banking deposit institutions. These saving institutions consist of two types of entities: saving and loan associations and saving banks. Both aforementioned institutions give long term mortgage backed loans and accept short term money deposits from households.

2. Building societies – saving and loan associations (S&L)

A building society (also called savings and loan association[8]) is a financial institution which is owned by its members. The first United States savings and

[6] FDIC – Federal Deposit Insurance Corporation

[7] F.S. Mishkin, *The Economics of Money, Banking and Financial Markets*, Seventh edition, The Addison-Wesley Series in Economics, pp. 229–231.

[8] The term is mainly used in the United States.

loan association was established in 1831. In order to administer it – the Federal Home Loan Bank System was set up. S&L offers banking and other financial services – especially mortgage lending.[9] These institutions are also known as thrifts. They are generally locally owned and privately managed and specialize in accepting savings deposits and making mortgage loans becoming one of the primary sources of mortgage loans for homebuyers. As home-financing institutions, they give attention to financing single-family properties.[10] Depositors and borrowers are members of S&L and they have voting rights and the ability to direct both financial as well as managerial goals of the organization.

It becomes difficult to distinguish S&Ls from conventional banks due to the gradual transition from thrift to bank-like institutions, since S&Ls offer numerous types of loans and other financial products which are not connected to the real estate market.[11]

3. Credit unions

There are over 10 000 credit unions[12] in USA and they are small non-profit cooperative lending institutions organized around a particular group of individuals with a common bond (union members, employees of a particular firm). They are the only institutions that are tax-exempt and can be chartered by the federal government or by the states (over half are federally chartered).[13] Credit unions are typically quite small and the majority of their lending is for consumer loans with fairly short terms to maturity. They are operated entirely by and for their members[14] and they are tight to a particular industry or company which makes them more likely to fail in case there are large numbers of industry workers laid off (trouble with making loan payments). Usually credit union's

[9] http://en.wikipedia.org/wiki/Building_society.

[10] It gives loans for the construction, purchase, repair or refinancing of houses.

[11] *Opportunities and Issues in Using HMDA Data*, „Journal of Real Estate Research" 29 (4) pp. 351–79.

[12] The National Credit Union Administration regulates federally chartered credit unions by setting minimum capital requirements, requiring periodic reports, and examining the credit unions.

[13] http://www.creditunionsonline.com/.

[14] You become a member of the credit union when you deposit money in a union because this deposit is considered as a partial ownership in the credit union.

shareholders are dispersed over many states, sometimes even worldwide, e.g. The Navy Federal Credit Union (members of the U.S. Navy and Marine Corps).[15] Credit unions exist to serve their member-owners rather than to maximize profits. Therefore, interest rates tend to be higher and fees tend to be lower than in case of commercial banks. They are supervised by the Credit Union National Association.[16]

4. Financial advisers

There has been much controversy about the regulation of financial advisors by state and federal governments. Apart from the financial industry government regulations there are a couple of private organizations that have approved certain qualifications of individuals by giving them appropriate licenses. The most important certifications are listed below:[17]

a) **Chartered Financial Consultant** (ChFC) – designated by the American College at Bryn Mawr[18] – an institution sponsored by the insurance industry. There are experience requirements and an exam must be passed;
b) **Certified Financial Planner** (CFP) – needs to meet the required experience and educational specifications of the CFPS.[19] CFPs have to pass a national test and have to follow specified codes of ethics;
c) **Chartered Life Underwriter** (CLU) – expert on insurance related matters designated by the American College at Bryn Mawr. There are experience requirements and an exam must be passed;
d) **Chartered Financial Analyst** (CFA) – awarded by the Institute of Chartered Financial Analysts to the experienced financial analysts who have passed exams in economics, portfolio management, security analysis, financial accounting, and standards of conduct;

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[15] F.S. Mishkin, *op.cit.*, series in economics, pp. 273.

[16] J. Goddard, J.O.S. Wilson, *US Credit Unions: An Empirical Investigation of Size, Age and Growth*, „Annals of Public and Cooperative Economics" 76:3 2005 pp. 375–406.

[17] http://www.bls.gov/oco/ocos259.htm.

[18] A nonprofit private educational institution located offering several professional certifications.

[19] Certified Financial Planner Board of Standards.

e) **Registered Investment Advisor** (RIA) – who has registered with the Federal Securities and Exchange Commission as an investment advisor (does not have to go through any specialized financial training but he/she often does so);
f) **Certified Public Accountants** (CPA/PFP) – experience in the field of accounting needed. They are the members of the AICPA[20] and they must pass the financial planning exam.

5. Collective investment schemes and mutual funds

As far as the collective investment schemes and mutual funds are concerned there are numerous types of them. According to the last count there are more than 10,000 mutual funds in North America. Here is a short characteristics:[21]

I. Equity Funds – most often investing in stock market. Some of those funds specialize in investing in large-cap[22] stocks, and others in small-cap stocks. The rest of the funds invest in – mid cap stocks.

The market capitalization is the one which often categorizes the mutual funds and is referred to the stocks that they hold in their portfolios. Formulas are different, but here is an example of such classification:

- Small-cap stocks: up to $500 million,
- Mid-cap stocks: from $500 million to $5 billion,
- Large-cap stocks: over $5 billion.

Some equity fund managers use a *value* approach to stocks – searching for stocks which have been beaten down by the market and are undervalued. Investors have become pessimistic about the potential of these companies. Another approach is to look primarily at *growth*, trying to find stocks that are growing faster than their competitors. These funds buy shares in companies that

[20] American Institute of Certified Public Accountants.

[21] https://www.amazines.com/Collective_investment_scheme_related.html.

[22] **Cap** – shorthand for capitalization (on Wall Street), the way of measuring the size of a company – how well it is capitalized.
Large-cap stocks have market caps of billions of dollars (the best-known companies in the U.S.). **Small-cap stocks** are worth several hundred million dollars (they are younger firms). **Mid-caps** are somewhere in between.

are growing rapidly – usually well known entities. Some managers buy both kinds of stocks, building a portfolio – so called *blend* approach.[23]

II. Growth and Value Funds. As mentioned above there are three types of investment strategy:

- growth,
- value,
- blend.

1. **Growth Funds:**
   - they focus on the fastest-growing companies on the market,
   - growth managers are willing to take more risk,
   - most volatile of the three investment styles,
   - expenses and turnover are higher,
   - aggressive investors with enough time to make up for short-term losses.
2. **Value Funds:**
   - investing in companies that the market has overlooked,
   - searching for stocks that have become undervalued,
   - assumption: there's more potential than the market has recognized and the stocks price will rise as others come to the same conclusion,
   - quite low volatility, expenses and turnover,
   - most suitable for more conservative, tax-averse investors.
3. **Blend Funds:**
   - they might invest in both high-growth internet stocks and cheaply priced automotive companies,
   - difficult to classify in terms of risk.

III. Large-Cap and Small-Cap Funds (grouped by the size of the companies they invest in). This classification is a little different from the one presented above:

a) **Large-Cap Funds** (large-capitalization funds):
   - generally invest in companies with market values of greater than $8 billion,
   - less volatile than funds that invest in smaller companies,
   - for most investors, a large-cap fund is their core long-term holding,
   - a place to park the retirement savings;

[23] http://www.investopedia.com/university/mutualfunds/mutualfunds1.asp.

b) Mid-Cap Funds:
- aim to invest in companies with market values ranging from 1 to 8 USD billions,
- a way to diversify somebody's holdings;

c) Small-Cap Funds:
- focus on companies with a market value up to 1 billion USD,
- their volatility depends on the aggressiveness of the manager,
- require to have enough time to make up for short-term losses;

d) Micro-Cap Funds:
- companies with market values below 250 million USD,
- tend to look for either startups, takeover candidates or companies planning to exploit new markets,
- extremely high volatility (risk), but exceptional growth potential.

IV. Bond Funds – there are three types of the funds:[24]

a) Term Funds – depending on the number of years until they mature:
- short term funds (1–3,5 years),
- intermediate term funds (between 3,5 and 10 years),
- long term funds (over six years);

b) Municipal Bond Funds – investing in bonds issued by state municipalities:
- bonds offered throughout the country as well as in one state only,
- there are tax exempts available;

c) High-Yield Bond Funds also called "junk-bond" funds:
- offering the highest rates,
- invest in low-grade corporate issues,
- entail the greatest risk,
- used by the most risk-tolerant investors.

V. Foreign Stock Funds:

a) provide excellent diversification for a portfolio;
b) allow for exposure to overseas markets;
c) varying levels of risk;
d) currency fluctuations can have a negative effect on stock prices;
e) four categories of funds investing overseas:

[24] http://money.cnn.com/magazines/moneymag/money101/lesson6/.

- **global**,
- **international,**
- **emerging market,**
- **country specific:**

a) Global Funds:
- the most diverse category,
- investing in any region of the world, but don't offer as much diversification as a good international fund,
- tend to be the safest foreign-stock investments;

b) International Funds:
- invest most of their assets outside the USA,
- range from relatively safe to more risky;

c) Emerging-Market Funds:
- the most volatile,
- invest in undeveloped regions of the world (with enormous growth potential),
- usually significant risk due to corruption, upheaval, currency collapse;

d) Country-Specific Funds:
- concentrating on one country or region of the world,
- they are particularly volatile,
- only for the most sophisticated investors.

VI. Money-Market Funds:
- perceived as the safest kind of mutual fund,
- low returns – (4%–6% on average),
- invest in ultra short-term securities – issued by the federal government, banks, big companies,
- similar to a bank certificate of deposit,
- it is completely liquid.[25]

VII. Sector Funds:
- restricting investments to a particular sector of the economy (eg. tech companies),
- due to specialization, any sector fund carries more risk than a generalized fund,
- some sectors more volatile than others.

[25] Ability to sell shares at any time.

VIII. Asset Allocation Funds:[26]

- investing assets across asset classes (stocks, bonds and cash)[27] and across international borders,
- about 247 asset allocation funds and 81 international hybrid funds,
- two types of asset allocation strategies: strategic and tactical,
- three different asset classes: domestic equities, international equities, and bonds,[28]
- active or a passive approach to investing.

6. Insurance companies

Insurance companies in the United States may be classified into two groups:[29]

a) **Life insurance companies** – selling life insurance, annuities and pensions products;

b) **Non-life**, **General**, or **Property/Casualty insurance companies** – selling other types of insurance.

General insurance companies can be further divided into the following two sub-categories:[30]

a) **Standard Lines** – "main stream" insurers typically insuring vehicles, homes or businesses with the use of pattern policies; regulated by state laws that can restrict the amount they can charge for insurance policies;

b) **Excess Lines (Surplus)** – insuring risks not covered by the standard lines market; they are more flexible and react faster than the standard insurance companies.

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[26] http://www.indexinvestor.com/Free/allocation.php.

[27] These are the most common asset categories. Other asset categories, like real estate, precious metals, other commodities and private equity – also exist and some investors may include these asset categories within a portfolio.

[28] http://www.sec.gov/investor/pubs/assetallocation.htm.

[29] http://www.economywatch.com/insurance/usa-insurance-industry.html.

[30] http://www.aiadc.org/AIAdotNET/ProductsServices/LawPublications/Access/Index.aspx?P=72&N=342.

Moreover, insurance companies are generally classified as:

c) **mutual insurance companies** – owned by the policyholders;

d) **stock insurance companies** – owned by stockholders, who may or may not own policies.

Hybrids known as a **mutual holding company** has also been formed.

Financial viability of insurance companies is rated by a number of independent rating agencies, such as Standard & Poor's, Fitch, Moody's Investors Service and Best.

STRUKTURA SEKTORA POŚREDNIKÓW FINANSOWYCH W STANACH ZJEDNOCZONYCH

Streszczenie

W artykule przedstawiono krótką charakterystykę instytucji pośrednictwa finansowego w Stanach Zjednoczonych. We wstępie nawiązano do teorii i istoty pośrednictwa finansowego. Następnie przedstawiono klasyfikację oraz podstawowe informacje na temat takich instytucji finansowych, jak banki, fundusze i towarzystwa inwestycyjne, unie kredytowe, firmy ubezpieczeniowe, doradcy finansowi/inwestycyjni czy towarzystwa budowlane.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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FOREX AS A PLACE OF FINANCIAL INVESTMENTS FOR SMALL AND MEDIUM SEIZED ENTERPRISES

Introduction

Well developed financial market offers to their participants the full spectrum of investment possibilities. Historically, individuals and the majority of enterprises, if decided to step into the financial market, concentrated their attention on the capital market (investing in such "classical" papers like bonds or equities), the money market (especially buying some short term commercial papers) and deposits market (as borrowers of the bank credits). For such entities (which we would call non-professionals) the rest of operational segments of the financial market were terra incognita – place too dangerous to enter.

The evolution of the market instruments and fast development of technical infrastructure (telecoms, Internet) wide opened these both – previously omitted by non-professionals – operational segments of financial markets. Equipped with modern means of communication, like e-mail, mobile phones, electronic data transmission equipment, non-professional investors more commonly invest at the currency market and use the offers from currency brokers, making investment mostly for the very short time and engaging limited quotas. With regard on the attractiveness of the currency market as the place of financial investment, this market has become, for non-financial entities, an interesting alternative to locate their money. Article analyses some important matters for

small and medium sized (non financial) enterprises, which consider to start speculative investment at currency market. Short characteristics of this market, made in the context of the most important questions for non-professionals, has been presented. Specification of the most common financial and legal risks, concerning the activity at this market, has also been described in the article.

1. Currency market and its evolution

Currency market is one of the main segments of the finance market (together with money market, capital market, deposits market and derogatives market).[1] This market serves mainly to regular (wholesale) currency exchange, including both spot and future transactions. Currency market is commonly called forex market (FOREX, Foreign Exchange Market, FX), which is one of the elements of the so called OTC market (Over-The Counter Market) – decentralized market of financial instruments, on which the classical "floor" transactions are substituted by electronically made operations. Currency market is characterized by some specific features, the most important of them are:

a) spontaneous development, the lack of formalized procedures and – in many countries – the lack of controlling institutions, regulating this segment of the financial market;[2]
b) moderate level of standardization;
c) high liquidity, high volume of transaction and system of non-stop working (24 hours a day);
d) international character of the operations.

There is a phenomenon of the high dynamics of the world currency market development, at the turn of the century. The volume of daily transactions is reaching 1,5 bln $/day.[3] It's many times higher, than the daily turnover of capital stock exchanges. This is mostly the effect of growing activity of professional players (banks and other financial institutions), but also – espe-

[1] W. Dębski, *Rynek finansowy i jego mechanizmy*, PWN, Warszawa 2002, p. 21.

[2] According to many research, the currency market belongs to the least regulated segment of the international capital market. Source: P. Hartmann, *Currency Competition and Foreign Exchange Markets*, Cambridge University Press, Cambridge 1998, p. 5.

[3] P. Rosenstreich, *Forex Revolution: An Insider's Guide to the Real World of Foreign Exchange Trading*, Financial Times Press, London 2005, p. 4.

cially with the context of the transactions quantity – results form more and more active participation at this market by non-professionals. Forex is an attractive place of investment for different groups of investors, using the different investment strategies. Short distance investors (speculators) are the main group, especially „day traders" (one-day, one-session investors), but there are also at the currency market investors with longer investment horizon. The level of knowledge and experience is also differentiated.

2. Currency market in Poland and its accesibility for non-proffesional investors

The main rules, concerning the possibilities and conditions by polish individuals and non-financial enterprises of participation at international currency transactions (also through the stock exchanges) are regulating by polish law of currency.[4] The liberalizations of this regulations gives to polish enterprises inter alia:

- authorization to open and to use the bank accounts in foreign banks,
- right to participate in currency transactions, directly and by using the international financial institutions (at the internal market and at the foreign markets).

The possibilities to invest at the currency market by the non-professional investors depend on the scope of the offers, prepared by the currency brokers, which are dedicated to this special group of investors. One of the main barrier to the developing of the currency market for non-professional players in Poland was – for many years – poor catalogue of offers, prepared for them by the brokers operating at the polish market. Such situations forced many investors to use the foreign brokers during their currency market operations, what included to their activity some elements of extra financial risks, made the cost of such operations significantly higher and influence the decreased effectivity level of the currency transactions. During last years, the situation of non-professional investors at the currency market has changed (together with the other segments

[4] Ustawa Prawo dewizowe z 22.07.2002, and later changes (DzU 2002, nr 141, poz. 1178).

of the financial markets, like derivatives and foreign capital markets), but still these specialized market for small investors is not very deep. Currently, there are only several brokers offices, belonging to the biggest banks, which participate of these segment of the market (i.a.: WBK, BRE, BOŚ, Pekao SA i ING), moreover, not all of them could offer the special Internet-service for small companies and individuals.[5] More active at this market are smaller brokers companies, specializing at the currency operations and offering the vast catalogue of offers, also for non-professionals (i.a. X-Trade Brokers DM).

Starting the activity at the currency market by non-professional investor needs to sign an agreement with currency broker, open a special investment account and deposit particular sum of money as the source for the further investments and as the kind of security for the broker. The realization of any currency transaction (both ordering and clearing) is made electronically. At the foreign market, there is a growing popularity among non-professional players of the relatively new instruments – so called structuralized products. These products are synthetic financial instruments of compound structure, normally consists of two main elements. First of these part guarantee steady (non-changing) gain level, and the second – using the high lever of financial leverage – increasing the potential growth value growth of the instrument. This second part of the structuralized product is sometimes based on currency market instruments. However, the structuralized products offered at the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie) are based on indexes and commodities mainly, not on the currencies.[6]

[5] M. Kwiatkowska, *Coraz łatwiej inwestować za granicą*, "Gazeta Prawna" No 43 (2165), 29.02.2008, p. 8.

[6] A. Mrowczyk, *Zysk certyfikowany na polskim rynku kapitałowym*, Nasz rynek kapitałowy No 4/2008, p. 36.

3. Positives and negatives of using the currency market investments[7]

The lack of formalism at the currency market favours the low transaction costs and the high level of innovativeness, it creates also numerous dangers and risks. The most important valor of using Forex as the place for financial investments for enterprises concern its possible economic advantages. The main advantages of investment regard:

a) the possibility of profitable investments both at the rising and at the falling financial market;
b) high level of the financial leverage of the currency market transactions, permitting the achievement of high profits, using comparatively small amount of invested money;
c) the possibility of investment diversification;
d) technically easy access to market, resulting from the use of (almost exclusively) electronic transfer of data;
e) high pace of operations and the possibility of doing effective investments on the very short term (one day, one stock session);
f) the possibility of doing non-stop investments (24 hours a day).

The basic defaults of operating on currency market result from legal the and economic risks for active participants of this market. The basic forms of risks for non-professional players are connected with mainly specific features of the currency transactions. They could be categorized in several basic groups of risks:

– risks concerning the specificity of the object of transactions at the currency market,
– risks concerning with the high level of the financial leverage,
– risks of specific reactions of the currency market,
– risks regarding the role of the currency broker as the consolidator of the retail orders,
– risks concerning the currency stockbrokers unjust practices.

The risks concerning the specificity of the object of transactions at the currency market. The economic conditions of the operations at the currency

[7] J. Jagerson, W. Hansen, *Profiting with Forex: the Most Effective Tools and Techniques for Trading*, McGrawHill 2006; Ph. Jorion, *Financial Risk Manager Handbook*, Wiley Finance 2007; R. Nogacki, *Kasyno zawsze wygrywa. Kilka mało znanych prawd na temat inwestycji na rynku Forex*, Warsaw 2007, Portal: Skarbiec.Biz.

market, result from the specificity of the objects of transactions at this market, which are the courses of exchange of particular currency pairs. They give to the players of this market, the possibility of get the capital profits as well on the growing and the diminishing market. This favours the regular (not sporadic, based on market cycle) activity. It also demands quick reactions on market fluctuations (i.a. quick reversal of possessed positions). However, the high dynamics of market bears also some risk, connected with the need of the steady control of the market and adequate reactions on its changes. One of the best protection against this risk is applying the strategy based on automatic closing the position at definite (usually minimum) level of the currency course, using stop-loss orders. Simultaneously, specificity of the non-stop changing price object limiting the effectiveness of using the „playing with the trend" strategy, often effective on the stock markets.

The risks concerning with the high level of the financial leverage. Specificity of the currency market enables the investors to use the high level of financial leverage. Entering this market is possible without the necessity of engagement the large quantity of money. That is an essential factor for unprofessional players. High level of leverage allows also to achieve quick and high financial profits. It enlarges however also the level of economic risk. High profits (like on the others segment of the financial market) are achieved only in case of good predictions, regarding the directions of the price changes. However, in case of the less adequate investments, it can lead to vast financial losses. This specificity of the market, forces the rational investors to moderate behavior, when use their deposit on investment bill as well as to use the automatic closing of the positions below the settled minimal value. Particularly dangerous for investor is the situations of violent course changes – slow reaction and delayed locking the position, can cause the negative value of investors deposit and the necessity of making the additional payments to the broker. This problem is particularly essential in case of the loss of currency liquidity, that is why the most adequate and safe strategy for non-professional investors should be to focus on the instruments, with the highest liquidity (instruments, based on basic currencies).

The risks of specific reactions of the currency market. The currency market differs from capital markets by the specific dynamics and different way of reaction to the signal coming from macro and micro economic environment. Therefore, the specific is also the range of knowledge needed to correct reco-

gnizing of the currency market trends and the scope of market analyses. Though, the most important analytic tools are fundamental and technical analysis, then the range of analysis is significantly different in case of the other financial markets. Predicting of the changing courses of currencies require compound comparative analyses, also of macroeconomic character and having an international character. Such analyses also have to take into account the international context. However, the currency market has an opinion (made by professional investor) of more predictable than other segments of financial market, the possibility of the maximal, effective utilization of this predictability is based on the deep knowledge about the mechanisms of the market and requires also quite long investment experience.

The risk regarding the role of the currency broker as the consolidator of the retail orders. According to the very low value of the individual orders from non-professional investors – while the very high thresholds of the transaction prices on the wholesale (regular) currency market – broker on the currency market plays also the role of the consolidator. He joins the individual orders into the larger packets. Such practice causes, that currency broker has an influence on retail price of the transactions with his customers. For the realization of orders, the broker creates special closed market of orders, assembling the orders (transaction retail customer – broker) and placing them on the wholesale market (transaction broker – wholesale investor). Broker – also by himself – calculates the wholesale (summary) price. This type of activity (introduced on the diagram No. 1), although is indispensable condition of the retailers presence at the regular currency market, also creates the phenomenon of individual transaction price influence by the broker.

Such arrangement carries numerous risks concerning – inter alia – the possibilities of conflict of interest between the broker and his customer (broker can earn on the difference between price he offers to his customer and price which he expects to get on wholesale market). However, the competition between stock broking offices as well as the will to keep the good reputation of the broker and the institution he represents, in most cases allow to keep his difference (named transaction spread) at the reasonable level.

Moreover, the realization of orders at the currency market is made almost exclusively electronically, and there is a lot of small stock broking offices, specialize exclusively in the forex transactions. All these elements cause, that the key matter for unprofessional investors, who wish to participate at the cur-

rency market operation, is to made the careful choice of stock broking office and the systematic control of its operation.

With the regard of the different records of contracts with stock broking offices, relating the choice of the specific country law system and especially the jurisdiction law in case of the judicial disputes, the unprofessional investors should prefer the cooperation with brokers companies, having its seat in Poland. Cooperation with such brokers facilitates suitable choice for the investors needs and the current co-operation with the stockbroker.

Risks concerning the currency brokers unjust practices. Some risks – which are connected with the character of the relation between stockbroker and his clients – regard the situations of the deceitful or even criminal character. The most common risks of that kind concern:[8]

- "stop hunting" transactions abuses
- brokers limited responsibilities for for "bad ticks"
- creating "false demo"
- blocking the „scalping" strategies.

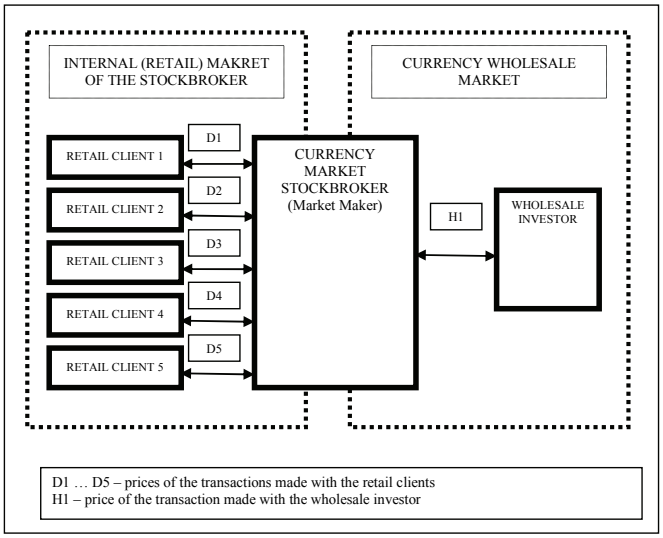

Diagram 1. The role of currency broker as the price mediator

Source: own study.

[8] *Ibidem*.

Such practices are seldom at the renowned brokers offices, but repeating signals concerning the existance of such procedures, confirm the thesis of the necessity for the careful choice of brokers office, as one of the main elements of the effective participation at the currency market by non proffessional investor.

Tabel 1. Brokers dishonest practices at the curreency market

Practice	Characteristics of the practice
"Stop hunting"	"Stop hunting" is dishonest way of using the mediator's position of the broker (empowered to set the price level of his transaction with customers) to make unsuitable usage of the stop-loss orders. Such operations are often abused in unfavourable situation of the investor position, giving an extra spread for the broker.
Brokers limited responsibilities for "bad ticks"	This brokers activity consists of excessive use (usually one-sided) the right to refusal the realization of customer orders, made by mistake called out by the false stream of broadcast data. Such mistakes could give the investors the possibility of making the extremely profitable transactions, thanks to mistakenly transmitted information (price). The right of blocking such operations is often abused by refusing the realization of transactions, which are unfavourable for the broker.
Creating the "false demo"	Many brokers, who wish to encourage potential customers, to active participation at the currency market transactions, offer the possibility of training – by use the virtual money and special demonstrative (demo) programmes. Some of these training programmes are constructed however in such way, that bring the investor back the disproportionately high profits in relation to gains, possible to achieve at the real currency market. It creates the delusive feeling of easiness to achieve the financial success at the currency market and could induce many investors to accept broker conditions to participate at the market without proper preparation and to realize excessively risky investments at the real market.
Blocking the "scalping" strategies	These dishonest broker operations consist on the blocking or making difficult so called "scalping" transactions made by his customers. "Scalping" is the strategy of instant opening and closing profitable positions (the term between the time of open and time of close position lasts only some hours or even minutes). Because such strategy make difficult for the broker to secure his transaction, brokers often consciously try to delay such operations, for instance by the requirement of manual (not automatic) confirmation of every operation ("manual execution").

Source: own study, based on R. Nogacki, *op.cit*.

Conclusions

1. Modern computer revolution as well as the rapid development of the sophisticated financial instruments results in more common and more effective entering to the financial market by the groups of non-professional investors. They use not only capital and deposit markets, but also invest at the monetary, derivatives and currency segments of the financial market, previously regarded as reserved by the big financial institutions. In effect, for unprofessional investors (also small and medium sized enterprises) the currency market can statute the attractive alternative for placing – mainly short-term – financial surpluses. Such companies can, more often than even some years ago, become a subject of the currency market game, doing so only from the speculative motives, not as the currency hedging transaction participant.

2. Investing at the currency market is connected with the high level of financial risk, so it must be preceded, especially by the non professional, by the deep study of this market – its conceptions, specific instruments and the individual kinds of risk connected with such participation. It also needs to prepare the reasonable investment strategy, adequate to the characteristics of this market.

3. The basic specific risks, regarding with the currency market concern: the specific object of transactions (currency pairs); the special mechanisms, ruling the trends on this market; the specific character of relations between the customers and the broker (special range of dishonest practices of the brokers included) and the specific way of making the transactions at this market. From the economic point of view, very significant factor is also the high level of financial leverage of such operations.

FOREX JAKO MIEJSCE INWESTYCJI FINANSOWYCH DLA MAŁYCH I ŚREDNICH PRZEDSIĘBIORSTW

Streszczenie

Rynek walutowy – zarezerwowany dotąd dla dużych instytucji finansowych – staje się dla wielu podmiotów niefinansowych (w tym małych i średnich przedsię-

biorstw) alternatywnym miejscem dokonywania inwestycji finansowych. W artykule ogólnie charakteryzowano rynek walutowy pod kątem jego najbardziej istotnych cech dla inwestorów nieprofesjonalnych. Przedstawiono przegląd różnorodnych rodzajów ryzyka, związanego z aktywnością MŚP na tym rynku. Najważniejszym ryzykiem specyficznym na rynku walutowym jest ryzyko specyficznego przedmiotu obrotu (pary walutowe), ryzyko swoistych dla tego rynku mechanizmów ekonomicznych (dynamika, czynniki wywołujące zmiany cen), ryzyko wynikające ze specyficznego charakteru stosunków między klientem a maklerem, ryzyko swoistego sposobu dokonywania transakcji (wysokie lewarowanie transakcji).

Chapter IV

MARKETING MANAGEMENT

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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CORE COMPETITION FOR MARKETERS IN THE SERVICE MARKETING

The marketing strategy is a useful tool of the corporate management and plays a significant role in the running of an organization. The marketing strategy should be directed on continuous development of an organization and also should introduce innovations, that‘s why marketing strategy has a key significance in achieving a success on a market place. Noteworthly is a fact, that each company is different and is managed in a different way.
“Natural aim of managers and consultants is to looking for a simple formula of innovative strategy and success.”
Every day managers make decisions, on which depend existance of a company. They search for different ways to build competitive advantage to maintain this dominance on the market and to deal with main competitors. It is necessary for both long-term and short-term plans. Capability of identifing your business and focusing on core competitions, products, services and competitors is one of the most important classic rules of a business. Every corporation, that wants to be successful, should do ‘something’ that distinguishes it from others, to be perfect in some aspects of its activities.[1]

[1] K. Obłój, *Tworzywo skutecznych strategii na styku starych i nowych reguł konkurencji*, PWE, Warszawa 2002, p. 13.

Main task of marketers and managers is to understand an organizational world and above all reasons and conditions of success and failure of many companies operating in very crowded modern market.

1. Developing marketing for services

Services can't be stored like physical products and this makes them harder to balance supply and demand. The pivotal difference between goods businesses and services is that goods business sell things and service businesses sell performances.

Service marketers deal some special challenges that stem from product intangibility and the people factor. This element should be the most important in long term marketing strategy (everyone's responsibility). This "staff strategy" depends on services marketing managers who are responsible for the empoyees education (concept, purposes and applications of marketing) so the whole services brand power depends on human factor and should be concentrated in its quality and the possibilities of the market flexibility. This describes the staff role in core competence of a company.

Unfortunately, services organizations often shackle their contact employees with thick policy manuals or strick sets of rules concerning the handling of specific transactions or nonroutine clients' request. The end result is more standarized services that are also more inflexible more "by the book services". Great services marketing involves periodically thanking customers for the business, staying in touch with clients, reselling the benefits customers receive from the relationship, rewarding the best customers with the price discounts with service extras, or in other ways learning more about individual customers and customizing the relationship, monitoring the buyers' satisfacion levels and perceptions of service quality, being accessible and responsive when customers have special needs and earning loyalty by being loyal.

Today more and more companies use its core competitions in a strategic management. In a technical scope, the point is that this approach managers concentrate on core competiencies of a company and use them to formulate the marketing strategy. The core competiencies marketing management attends to description, utilization, development of employees capabilities as a support in a corporate strategy. To manage core marketing competiencies the managers

should use the knowledge of the organization to identify them at first and be able to use them, capture, develop and transfer. The most important issue in this kind of management is placing the core competiencies in the centre and focusing them.

2. Marketing strategy

There are two types of human marketing strategy: internal ("systematic thinking" – synergy) and external (alliances). Synergy from internal architecture depends not only on business in a conglomerate to support each other, transferring skills, competencies, staff capabilities, also sharing knowledge and human resources. Crucial is the fact if an organization is able to share learning and gain an experience. However, through alliances a company may focus on its core competiences, because partners have to support each other, but also understand and respect each other's various needs.[2]

Prahad and Hammel identified three characteristic elements of core competitions concerning the marketing strategy. The first – technologies, the second – processes or capabilities, the third – strategic architecture.

If the manager thinks about the prospective marketing strategy of his enterprise, he has to know that the services keep the top place on strong factors.

Tampoe (1994) created a list of criteria that core competencies must meet:

- essential to corporate survival in the short and long term,
- invisible to competitors and difficult to imitate (services),
- unique to the corporation and few in number,
- a mix of skills, resources and processes,
- a capability which the organization can sustain over time,
- greater than competence of an individual,
- essential to the development of core products and eventually to end products,
- essential to the implementation of the strategic vision of the corporation,
- essential to the strategic decisions: on deversification downsizing, rationalizing, making alliances and joint ventures,
- marketable and commercially valuable.

[2] J. Thompson, *Strategic management,* Thompson Learning, London 2001, p. 61.

Each organization tries to find suitable ways to become a leader on the market or to achieve a success. Just because they use many strategic tools to refine the business environment, formulate objectives, mission statements and create a strategy. One possibility is to exert core competencies of a company as a strategy. This method establishes focusing all activities on them. What does it mean, especially in services? A strategy is building unique skills and resources of an organization. Managers who offer services as a market good, have to concentrate on their organization. They should use its capabilities and technology. Focusing on core competencies can prevent a company from dispersal of resources. The leaders should treat a company as a "source of knowledge", using learning of employees. It could be a good shape competitive potentially and also core competiencie. It's worth keeping in mind intangible resources (for example know-how). They could be more valuable, because they are difficult to imitate and permit to form new unrepeatable services.

Goods can be defined in terms of their physical attributes but services cannot because they are intangible. It is often difficult service offerings and to evaluate possible service alternatives. In order to be successful, firms must not only maximize the difference between the value of services to the customer and the cost of providing it, they must also design the service with employees in mind. Contact personnel are critical to the perception of quality service. They must be provided with sufficient tools and knowledge to furnish the type of service that the customer desires. Because service industries are information-driven, they can substitute knowledgeable, highly trained personnel for the capital assets used in more product – oriented businesses.[3]

Thus employees in a service organization are an important factor in the core competencies marketing strategy.

We have seen that variability in service quality which arises from the labour – intensive nature of many services, is a problem for service marketers and the consumers often associate the service with the service provider.

Personnel selling is potentially powerful in services becuase this form of promotion lets consumers and salespeople interact.

When consumers enter into a service transaction, they must as a general rule, interact with service firm employees.

[3] W. Pride, O.C. Ferrell, *Marketing*, Houghton Miffin Company, Boston 1991, pp. 708–714.

Customer contact personnel can be trained to use this opportunity to reduce customer uncertainly, give reassurance, reduce dissonance, and promote the reputation of the organization.
Although consumer-service firms have the opportunity to interact with actual customers and those potential customers who contact them, they have little opportunity to go out into the field and solicit business from all potential customers.[4]

3. Core competencies marketing

In developing core competencies marketing, marketer's strategy must first understand what benefits the customer expects, how the marketer is perceived related to the competition and what services consumers buy. In other words, the marketer must develop the right service for the right people at the right price and at the right place. The marketer must remember to communicate with consumers so that they are aware of the need-satisfying services available to them.

Through core competencies service corporate one can build competitive advantage. But not every competence can be used to create this position, because they are those skills that organization can do better than its competitors. Not every competence belongs to competitive advantage model, so how to identify and choose those right? If they are already recognized, how to develop them and avoid loosing them?
Core competencies have to be flexible, because customers change their likes and service companies should also react and fulfill expactations. Managers should include these elements in management.
There are three characteristic elements of core competencies (Prahalad and Hamel):

- it provides potential access to a wide variety of markets,
- it increases perceived customers benefits,
- it is hard for competitor to imitate (especially in services).

Services marketing managers can facilitate marketing throughout the organization in at least three ways. First, they can take formal steps to educate empoyees about the concept, purposes and aplications of marketing. Services providers

[4] J. Mazur, *Zarządzanie marketingiem usług*, Difin, Warszawa 2002, p. 225.

cannot be expected to be committed to marketing if they do not know what it is. Second, marketing managers can strive to make it easer for employees to be marketers through effective sales training programs, sales aids, and other means. Third, marketing managers can push marketing responsibility downward into the organization, into the line, close to the customer. In services companies, the most successul staff marketing directors are those who transform marketing into a line function.[5]

Before managers start identifing core competencies they have to form a group of members who will participate in these activities. These people should know very well the issues refering to the whole company. It could be limited participation to senior management. The total services offering process requires a lot of effort. Managers should exchange information and their views. Core competencies are unique skills, that show the effectiveness in pursuing a mission statement of an organization. These capabilities should be clarified very precisely, because they are used to build a competitive advantage.

At the begining managers should answer the main questions: What is our business and service market?, What is our mission?,What do we want to achieve in this market?, What factors could help to fulfill our objectives?, What we do and how can we take advantage of it?. After defining the general information, it should focus on identifying the core competencies. They can deal with the following problems:

- how long could we dominate our business if we didn't control this competency?
- what future opportunities would we lose without it?
- does it provide access to multiple market?
- do customers benefits revolve around it?

Moreover, managers can include three characteristic elements (by Prahalad and Hamel), that have been mentioned above. They help identify core competencies in a business. Managers can reflect on, then is a possibility to create new products and services, why customers buy this item not another? How to be "competitively unique"?

[5] J. Mc Carthy, S. Shapiro, W. Perrault, *Basic Marketing*, Seventh Canadian Edition, Irwin, Boston 1996, p. 593.

The aspect of identifing core competencies consists in puting questions and looking for the answer in a company (resources, capabilities, experience, know--how, local lobbing etc.).

Services firms should strive for perfect service but be prepared to respond when things go wrong. How firms respond when things go wrong is the acid test for service quality and the managers' skills.

These are the seven major ideas which should be very useful tool in estimate of the services marketing quality level. There are:

- distinguish between the marketing department and the marketing function,
- leverage the freedom factor,
- market to employees,
- market to existing customers,
- be great at problem resolution,
- think high tech and high touch,
- be a power brander.[6]

One of the disadvantages of using core competencies as a strategy is, that "the benefits of core competencies may not appear for ten or more years, because it often takes that long for new markets to emerge. Moreover, the whole process of creating core competencies takes a long time, therefore a management team should be patient and reliable. Managers want to have outcomes very fast, but using core competiencies as a strategy it needs time to see results. Services are invisible, it usually takes much time to install them in "customers mentality."

Core competencies should be improved not just identified – it's not the end it's the beginning of a long way to leadership. The essential issue is, that without controlling and protecting one can lose the whole "golden rules" of core competencies. Once missed are not to get back. If this situation takes a place it means, that a total process starts from the beginning. Sometimes it is too late, because of the competitions presence in the market.

The next barrier appears on the highest level of the hierarchy of competencies; value increases together with difficulty. It's concerned with a view of an organization as a learning system. A firm can have quandaries "with transfer of knowledge across organizational boudaries."

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[6] J. Mansour, "*Core Competence: What Does It Mean In Practice?*", Long Range Planning Vol. 31, No. 1, Great Britain 1998, p. 63.

How does a future look in services core competencies model?
Managers have to be vigilant to changes in an environment, analyse new circumstances, formulate scenario and create new values. Focusing on core competencies can open better opportunities for the future and search for more applications.
To successfully competete for the future, a company must be capable of enlarging its opportunity horizon. This requires top management to conceive of the company as a portfolio of core compencies rather than a portfolio of individual business units.
The future depends on a company. A corporate can itself decide about it and try to create it as he wants. It's especially important to service staff, because of his principal role in the company services. In marketing we say "the first view creation."[7]

WĘZŁOWE ZAGADNIENIA KONKURENCJI W MARKETINGU USŁUG

Streszczenie

Strategia marketingowa firmy, wyznaczając jej trend rozwojowy, opiera się na budowie przewagi kompetencji nad innymi podmiotami operującymi na rynku. Usługi, które z racji swoich specyficznych cech wymagają bardzo specjalistycznych umiejętności, powinny się opierać, podobnie jak marketing produktów, na indywidualizacji, czyli dopasowaniu do oczekiwań finalnego odbiorcy. Marketing oparty na wyselekcjonowanych kompetencjach producenta/handlowca staje się ważnym instrumentem zarządzania usługami. Obecnie wręcz koniecznością stało się uzyskiwanie efektu synergii jako elementu architektury rynkowej usług. Aby jednak wdrożyć taką filozofię marketingową, niezbędna jest odpowiedź na następujące pytania: na czym polega siła naszego biznesu; jaka jest jego misja w społeczeństwie; dzięki czemu możliwa będzie realizacja naszych zamiarów? Dwóch wybitnych znawców tego problemu (Prahalad i Hamel) wyraźnie zwracają się do zasobów wewnętrznych firmy, czyli do sztuki jak najoptymalniejszego wykorzystania możliwości intelektualnych i biznesowych własnej kadry. Dobrze zarządzanie oznacza odpowiednie motywowanie personelu.

[7] S.P. Robbins, D.A. DeCenzo; *Fundamentals of Management: Essential Concepts and Applications*, Fourth Edition, Prentice Hall Inc., New Jersey, 2004, p. 61.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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HIGHLIGHTING IN SALE AND SERVICE CONVERSATIONS

1. Combining servicing clients with active sale

Is not with ease combine servicing shopper with active sales. Can it to do best firms on markets. Combine active sales with service of customers may take place to place can have according to different manners. There docket to take into account follows possibilities:

a) at first to start with servicing of customer and then active sales;
b) at first to start with active sales and then service of customer;
c) at first to start with servicing shopper and midst script transition until vend assets, whereupon return until cater (often is in the case on gas station);
d) active sales and in the middle sales process to go to service shopper (often is in the case presentation on supermarkets).

Connection active sale with service of client is second aspect. This connection it is particularly important in case of variant, when at first to apply service of client then active sale or at first service of client and in middle this process active sale. Much an effectiveness is usually greater in the active sale, if offered products in the active sale somehow or other are tied together with products offered in the process of the service. For example, it can be complimentary products or implement product. It can be substituted products also substituted in certain range.

Sales strategy or service if sales strategy should to define order of mergers as well as sell the products during active sale, in case when active sale takes a stand in middle or after service of client process.[1]

2. Linking active sale with service of clients in case elongating waiting time to servicing

Service of client is often jointed with active sale. However, such connection is advantageous not always. If process service of client is soundly tense e.g. the reason of elongating waiting time to servicing (long queen) additional will cause else elongating waiting time to servicing, and will cause degression of standard of service clients. It is particularly inadvisable when the process is visible for customers which are standing in a queue. In such situation part of clients will resign from waiting and will resign from shopping or will transmit for other firm.

It is possible to preclude ago, if will be introduced bordered waiting time over, which is not led active sale. For example, for banks may will be 10 minutes, for service in postal offices 5 min. etc. Grater simplification for service employee (staff) of can be for active sale can be time-rs, machinery which measuring time of service of client, waiting time to servicing and can to prompt assistants, vendors according to situation properly operations.

3. Creating differentiates and the benefits in service talks

3.1. Parity, whom duty to presentation moral differences of product, brands

In sales talk as well services talk often presenting both differentiates as well as benefits which results from these. There can be three follows standard situations:

a) presenting only differentiates e.g. attribute differentiates of product;
b) presenting only profits;
c) presenting both as well as profits arising ex differentiates.

[1] A.A. Zoltners, P. Sinha, S.E. Lorimer, *Zwiększenie efektywności działu sprzedaży*, Oficyna Wydawnicza. Kraków 2005, p. 76.

In practice sales talk for the most part presenting attribute differentiates or marks dominates of product or other differentiates e.g. vend, servicing and the like and this marking, that presenting differentiates is simple to everyone vendor, who knows selling via yourselves product. Often has spot too situations, when vendors presenting much differentiates and only one profit. Until rarity belong situations, when vendors (salesman) concentrates only on profits.

Many times vendors as well service workers do not know that are differences between differentiates (predominant marks) and profits. Whereas operating differentiates or ear-mark predominant is simple as easier therefore in general vendors operations on talks with differentiates or ear-mark product. Applying on talk profits arising ex differentiates necessitates major skill level and skill empathic, that is empathize yourselves on status shopper. Though vend ex utilization on sales talk profits is usually much more effective what indicates them possibly for the most part use the following.

It is worthwhile to underline differences between services process and sales process. It appears, that on sales talk sensu stricte use the following profits should be often than on services talk, in which clients profits yet knowing as well there are not time to presenting to extensively, spaciously profits, from the consideration to shorten the time service and so it is more effective concentrating to the differences or ear-marks predominant of product. In scripts of the service making in general follow principles:

a) on services talk presentation profits have reliability active;
b) presentation profits follows when recognitions needs shopper (asking additional questions is needed to know deeper requirements shopper);
c) presentation profits duty be adequately to reliability needs shopper (we've mind, that full capacity presentation profits the services to shopper strong-minded to purchase is not necessary and may lengthen time service as well waiting-time to servicing – what lowers standard services);
d) where it is possible profits should to present to use "wordily pictures", (visions) and parity (similes, saws, proverbs, other whom knowing clientele).

The ethics, moral sense, dealing ethically, context moral starts perform more and more high role. Wherefore legitimizes is not refer to ear-mark or yet moral differences of product or brands. One product so-so with this regard to upper level than second. This may to perform to position on markets, yet

supposing marks attribute are to under level. As seldom taking trials to make mark product, brand moral difference, that is which ear-mark ethically which will be over item ethically marks unlike competitory products or brands.

Using the product for presenting ethical marks in the presentation by analogues it is so far a completely exceptional thing. If ethical aspects were already being underlined it was being made in the direct way without using any analogies. And at least ethical marks of the product, water parsnips are more and more often rarely presented at this target any analogies of e.g. comparing are being applied, examples, proverbs, sayings, hyperbole familiar to the target group and the like very much at present are often granted the given mark personality features similar to characteristics of the man. The product, the brand are kind of a member of a family then. However above all physical-functional guilds are being stressed (attribute) or psychological. Situations belonged to exceptions, when in such a presentation they recalled, or what else more rarely, ethical features were being highlighted.

Meantime marks, which knowingly exhibit ethical differences and use for their presentations fairest manners can get fast effects in the form of obtainment possible unexpectedly or establishing of market superiority. If rally firm will choose consciously as feature ethical in the form differentatie e.g. differring honesty, fairness (justice) or loyalty, or fairles to think as possible bring closer it most effectively it feature highlighted to potential clients.[2] It can be for motives analogies canceling (appeal; appeal) or forms from literature, from movie, from customs, history, current events etc. However, it is important in order to it transfer and similarity of used motive was for presented feature impacting and know target (incoming) group.

3.2. Creating ethical differences in service of client

Ethical differences can come into being thank proper behavior and operations of people. When it some (certain) person value in respect ethical say, that it is honest, there is helpful, is loyal, is truthful, is discreet, is fair etc. There are features, it is possible to learn which due to procedure of people as well as servicemen directly catering clients but not only it. Nevertheless, procedure

[2] D. Lennick, Fr. Kiel, *Moral Intelligence: Enhancing Business Performance and Leadership Success*, Person Education, New Jersey 2005, p. 157.

of persons who directly caters client is most visible. If we want in order to one of marks was ethical difference it would belong to very well exhibit in procedure of person it feature, which (who) directly take part in servicing of client.

Exemplary, if will select as difference such collection ethical marks as: tenderness, tact, secrecy this duty be this visible on script of talks, gestures, behaviors and attitudes of the staff of the customer care. What though docket operative render to those marks on dealing establishment cater were visible. Prime thing it docket to take care of correspondent select of staff. Evinces some ethical marks is to persons, whom not evinces them on life is in general very hard barrier to them evinced on working space. So, better engage to stations relevant ex servicing of customers persons, whom such marks evinces on life.

Next factor duty construction ethical differences it will write correspondent standards of service and specially as well script service talks as sale talks. Therefore, docket set off acts the persons servicing of clients who may show those ethically marks in graters degree. In servicing of clients set-off typical situations and nontypical situations. Both to one as well as on second set-off possibility show ethic marks nevertheless in nontypical (difficult, stress) situations evinces ethically marks is specially essential.

4. Presentation differences and profits on sales talks

4.1. Concentrating on differences in service talks

In service talks, conversations service staff meting most often with clients, who know product (goods or service) already. Usually there are clients, who are determined use with the product. Therefore, has not of need to present requirement product in detail, which have decided to buy already. It is possible to underline most important one product difference or result from him – benefits.

It is possible to present changes shortly, which have followed (have stepped) in development of deference and it result from development of benefit. Long presenting of benefit, which client knows inexpedient, already. It effects stretch of process of service, extends the waiting time service of clients and impact on level service of clients.[3]

[3] B. Stinnet, *Myśl jak twój klient. Strategia rozwoju sprzedaży*. Wyd. Helion, 2004, p. 289.

However, presenting is many important, demonstration has brought up or practicing sales deference or service deference or ethical deference. They can because influence directly for raising the level of the service of clients. Example Mc Donalds. The company implemented – once – interesting service characteristic relying on it, that customers which will be served longer than 2 min. will receive the return of the amount due for the made purchase. These many clients encouraged and it influenced the improvement in the service level. Other example is Polish Post which has introduced in ethical deferences in service of client for hard situation. There are was possibility presenting by employee such attributes as goodwill, discretion, empahty, tact.[4] It has brought up level of service of client considerably and it has boosted satisfaction of client.

However differently the thing is in the case of the active sale, that is when customers are being persuaded for the purchase of the product which so far they bought somewhere else (at the competitor or didn't buy in generally). Then in such conversations characteristics will matter greatly attribute. But one should reserve carrying such talks on for the situation, when it doesn't influence indeed for extending the time of service or the waiting time for the service.

4.2. Demonstrating ethical deferences in the service of clients

A very much simplified approach towards ethical issues most often dominates. Business data are acting ethically, if he isn't breaking regulations of the law and adopted universally moral norms, customs. In many countries at contacts with customers keeping appropriate postures and labels are required. For example it concerns greeting the customer, the goodbye, thanking or apologizing for different inconveniences. Let us imagine two companies, of which one apologizing to the customer for different inconveniences is practicing the custom and second isn't applying. In the given example we are supposed in principle to apologise to two possible behaviors or not. But what in the situation, when for example both companies are administering the custom of apologizing. The matter isn't limited to it. It is possible to try to apologise better. Companies which ethical aspects are able to exploit in their action on the market can easily

[4] S. Shiffman, *Schiffman's Stephen 101 Successful Sales Strategies. Top Techniques to Boost Sales Today*, Adams Media, NY 2005, p. 10.

gain the majority on different, since ethics are a very visible element and easily discernible by customers.
Managing ethics can become the important element of a marketing strategy. So far companies used this element rarely and rather intuitively than consciously. Some companies took such attempts more consciously and they have usually achieved fast and long-lasting market effects.

Ethical deferences are playing an important role in the client service, although they are rarely appreciated. Their meaning grows particularly when clients of business are ethically sensitive persons. For this persons usually belong persons who have stabilized position and really attached to the tradition, the culture and the religion. The best manner of presentation ethical deferences are behaviors, human attitudes therefore the persons should display them in the suitable grade and the intensity.
Example. The firm defined your ethical deference as patience, therefore services which he is providing enough are complicated and they demand the appropriate procedure. Management of firm made a decision that it is proper to differ patience because many clients are lack in competitive firms discouraged. Exactly a course of the customer service was examined and a few moments were stated in the customer care which cause the most tensions. In these moments workers should demonstrate the exceptional patience. They observed what most frequent reactions of customers are in these stressful moments as well as they wrote the screenplay to preserve services for the staff considering "exeptional patience". In the script were concluded not only reactions verbal but also behaviors and the body language including gestures.

And so the presentation of ethical characteristics is most visible then, when it is possible given best to highlight the marks, the attribute. They are these are most often situations of short circuits, stresses, misunderstandings, mistakes, the customer complaint, complaints and the like.

Ethical differences should be visible for the customer. About attribute differences the salesman, the personnel of the service can only say the product as in the case of ethical differences it is possible to display them both in statements like also with gestures and the behaviour. If statements are combined and gestures and the behaviour the clarity of the given characteristic will be far stronger and more real (more authentic). If the company assumed the characteristic in the form of such attributes of its workers as: tactful, kind, this behaviour belongs to take care so that it manifests itself in scripts of sale-service conversa-

tions, the facial expression of the face, different describing and pointing gestures.
Of which to use words in order to express with words individual attributes. If we want to express the tact we are using such words as: I apologise, unpleasantly for me, politely please, willingly I will make it, very much for me nicely, very much I am pleased, I thank for ..., I thank, you are very courteous, etc. At every such a statement one should apply gestures in the form of the right facial expression of the face and the body language most often with the use crayfish, of hand. For example, if a given person very often expresses some form of the tact is putting his hands on one's of chest. When he apologises lightly he is bowing his head and he is putting the hand on the chest.

Good seller, worker of service in talks with customers is using – peculiar form of the analogy an image is which. If he already knows what benefits the customer is taking back, what is important for the role which he is performing in the life or what value is for him valuable it is trying to present these benefits in the form of the image. Of course he walks not for the literal image but for the image painted with words in imagination of the customer. Vivid descriptions are starting to speak to imagination of the customer. They let the customer depict themselves with a given product in situations about which the most it cares. If the seller is selling to the customer elegant it can describe the image of the enraptured husband, the visit at acquaintances in front of it or move the evening dress customer with eyes of imagination into the beautiful fair, a, stage or concert screening room.
These images more strongly are starting to speak to imagination, if persons which are closest for our customer, e.g. are in their space the husband, children, the friend, the friend. If are these are bought products to the work place it is worthwhile before the customer repainting it the image of the satisfied superior, friends, the prospect of the bonus or the promotion. Of course one should not exaggerate, since the image no matter how should start to speak to imagination still should be realistic, i.e. possible to fulfil.
Such images can be supplemented for details in the kind of beautiful flowers, the illumination (sunny day) or of mood music. We can still expect the greater effect, if we repaint not an isolated image but the brief film, i.e. two three insults appropriately connected with oneself, e.g. at first present not very beneficial situation and then image with the purchased already product. Next it is possible to paint the image of the future pointing to future benefits.

5. Benefits, which are supporting social roles performed by customers

Language of the benefit is often understood quite casually. However how we are presenting it to customers depends on how we understand the benefit and how we are creating the packaging of brands and products.

Taking back them to social roles is a good way of presenting the benefit which people (target groups) are performing in the life. In addition an accurate diagnosis of the structure of lines performed by persons belonging to the given target group is necessary. In the structure of performed social lines it is possible to distinguish at least three levels of performed roles and to take them back to the specific organization e.g. families, enterprises. For example in the family the man is performing the following roles: and / on the fundamental level (performs these roles every day): e.g.: the husband, the father, the wage earner. b / leaning on the level (he is performing these roles every now and then or every day but they aren't so essential): the driver, the repairer of domestic appliances, the gardener, the mechanic of the own car, a playmate and the like, c / on the supplementing level (he performs these roles every now and then and he usually helps in different performing their roles): helper in kitchen works, helper in homeworks, cleaning, washing and the like.

It is possible to break every of roles to even more detailed e.g. the husband is also a confidant, a friend of the wife, a lover, an adviser. Determined aspiration, ambitions of performing more important more interesting, prestigious and more attractive roles are connected with performed lines. For example so attractive with role for the man for averages, of age performing the role for the entrepreneur and having bound with these attributes in the form the own company, the big house or the modern car can be. So it is possible to call the role the personality characteristic of the given target group. If will manage to find the association between the product and this characteristic of the target group it is possible to have it this product to the success on special offer.

In analysis of the structure of performed social lines finding connections between performed soils is an essential treatment. One should remember that supplementing roles are supporting performing supporting roles and supporting roles are helping to perform fundamental roles. Why is it essential? Since many products, serves performing supporting, supplementing roles not whereas fundamental. And so showing the benefit from these products consists on finding a remedy and distinguishing roles which a given person representing the target

group is performing and on what way showing in thanks to this product this role is also backing fundamental lines up and especially distinguishing (difference of the target group). For this reason it is possible to talk about benefits of the first row, if the product is supporting performing the supplementing role, benefits of the second row, if the product is helping with performing supporting roles and benefits of the third row, if the product is helping perform fundamental roles.

Example of the promotion of credit consolidation. Group target there are men in the young and average century a having stable life, the family but still not giving developmental purposes up. For this group of men performing the role of the resourceful entrepreneur can be a personality difference. And so in the promotion of consolidation credit one should show benefits consisting in strengthening the role of the resourceful entrepreneur.

WYRÓŻNIANIE SIĘ W ROZMOWACH OBSŁUGOWYCH I SPRZEDAŻOWYCH

Streszczenie

W artykule przedstawiono doświadczenia związane z łączeniem sprzedaży w punktach sprzedaży z obsługą klientów. Szczególną uwagę poświęcono sposobom kreowania wyróżników sprzedażowych i obsługowych oraz sposobom prezentacji tych wyróżników w rozmowach sprzedażowych i obsługowych. Wskazano na duże znaczenie takiej konstrukcji wyróżników, która uwzględnia odpowiedni kontekst etyczny, ponieważ klient jest istotą etyczną i każdy produkt lub zachowanie sprzedawcy, pracownika obsługi ma zawsze odpowiednie wartości etyczne, które wpływają na pozycjonowanie zarówno produktów jak i sieci handlowych. Wybierając korzyści wynikające z wyróżników, należy wziąć pod uwagę relację tych korzyści do ról odgrywanych przez członków grupy docelowej, ich stylu życia i hierarchii wartości.

Chapter V

CUSTOMER RELATIONSHIP MANAGEMENT

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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CUSTOMER-TO-CUSTOMER INTERACTION (CCI)-DRIVEN SERVICES: EXPLORING A NEW CONSTRUCT

Introduction

An essential aspect of managing many services is influencing the interaction which takes place between customers. Nevertheless, it was only from the mid-1970s that service management theory started to incorporate the reality that a customer's perception of a service could be influenced by the behaviour of other customers. The earliest example is the servuction system model. Later services marketing frameworks to recognise the role of other customers include: the 7P marketing mix and the drama metaphor.[1] Over the last two decades increasing numbers of empirical studies investigating the interactions which occur between service customers have been reported in the service management literature.

[1] All of these frameworks (and others) are presented and discussed in R. Nicholls, *Interactions between Service Customers: Managing On-site Customer-to-Customer Interactions for Service Advantage*, The Poznań University of Economics Publishing House, Poznan 2005.

In this field, usually referred to as customer-to-customer interaction (or CCI), a wide range of insights have been gained. For example: CCI has been shown to be a widespread; classifications of types of CCI have been put forward; and tools for the effective management of CCI have been proposed.[2] Much of this literature has, however, concentrated on short interactions between strangers, where CCI tends to arise "as an unplanned, secondary outcome of the service exchange".[3] Given this focus, it is not surprising that many empirical studies have emphasised the problematic character of interactions between strangers.[4] Comparatively little attention has been apportioned to investigating services where CCI is an important source of value creation. Such services, which have been referred to as CCI-driven services[5] and shapers of CCI,[6] form the focal point of this article.

CCI-driven services

CCI-driven services form a sub-set of the wide range of services which feature CCI. Conceptually, they can usefully be distinguished by contemplating the *customer-to-customer contact (CCC)* classification.[7] The CCC classification contains three categories for describing the necessity and/or usualness of presence of, and interaction with, other customers:

Category A: the presence of other customers is highly unusual and, generally, not desired. For example: pizza delivery, legal advice.

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[2] R. Nicholls, *New Directions in CCI Research*, in: *Usługi w Polsce – nauka, dydatyka i praktyka wobec wyzwań przyszłości*, ed. A. Panasiuk, K. Rogoziński, Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 497, Ekonomiczne Problemy Usług nr 20, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin 2008, pp. 55–59.

[3] S. Baron, A. Patterson, K. Harris, J. Hodgson, *Strangers in the Night: Speeddating, CCI and Service Businesses*, "Service Business" 2007, No. 1, p. 212.

[4] For example: S.J. Grove, R.P. Fisk, *The Impact of Other Customers on Service Experiences: A Critical Incident Examination of 'Getting Along'*, "Journal of Retailing" 1997, 73 (1), pp. 63–85; L.C. Harris, K.L. Reynolds, *Jaycustomer Behavior: An Exploration of types and Motives in the Hospitality Industry*, "Journal of Services Marketing" 2004, No. 18 (5), pp. 339–357.

[5] R. Nicholls, *Value Creation in Services: A Customer-to-Customer (C2C) Approach*, in: *In Search for Value: Selected Aspects*, ed. S. Starnawska, W. Werda, University of Podlasie, Siedlce 2007, pp. 79–84.

[6] S. Baron *et al.*, *op.cit.*, pp. 227–228.

[7] R. Nicholls, *Interactions…*, pp. 81–83.

Category B: the presence of other customers is usual but not necessary. For example: cinema, public transport.

Category C: the presence of other customers is, by definition, essential. For example: conferences, discos.

It is services which belong to category C which are the theme of the current article. Namely, services in which the presence of other customers is an essential, and often anticipated, aspect of the service experience. For such services CCI is an integral component of the *service concept.*[8] For category C services CCI will often be a major, or even the major, contributor to value creation. Moreover, there will usually be close managerial attention to structuring the interactions between customers so as to ensure and facilitate value creation.

Most empirical studies of CCI reveal a mixture of positive and negative CCI experiences. However, what is different about positive CCI in CCI-driven services is that, rather than being predominantly a random occurrence ensuing from another customer's goodwill or helpful nature, it is predominantly a regular, even systematic, occurrence. The next section reviews a range of empirical studies of CCI-driven services.

1. Previous research contributions

A number of service management publications have recognised the existence of services where CCI is an important source of value. These have often been in the form of case studies. This section provides a brief survey of the most important contributions. Generally, the approach followed is chronological.

Heskett[9] closely examined how a Canadian hospital has carefully structured interaction between patients so as to create value. The hospital, which specialises in hernia repair operations, has designed its service process and its physical setting so as to support CCI-based value co-creation. Key features of this CCI-driven service design include: patients stay in twin rooms (in order to support each other emotionally and physically); pre-operative patients socialise

[8] The service concept refers to the set of benefits a service organisation aims to make available to customers.

[9] J.L. Heskett, *Shouldice Hospital Limited*, Harvard Business School (case 9-683-068) 1983, reprinted in: C.H. Lovelock, *Services Marketing*, 3rd edition, Prentice Hall International 1996.

with post-operative patients; and room-mates are scheduled for operation at a similar time. Patient-to-patient interaction constitutes an important part of both mental and physical healing.

A study of white water rafting tourism[10] found that interaction between rafters, expressed as 'communitas',[11] was one of the most important aspects of the service for many customers. This finding indicates that group adventure tourism is likely to be a CCI-driven service. The rafting study is particularly interesting because, even though CCI was important to many customers, they rarely realised this at the pre-trip stage. The study also provides a wealth of detail on methodological considerations when undertaking research into extended C2C encounters.

In an article which can be best described as 'application literature' by a practitioner, Rowley[12] explores the ways in which students' experience of higher education can be influenced by their interactions with other students. Whilst recognition is given to the fact that student-to-student interactions can be negative as well as positive, Rowley provides a multitude of illustrations of types of satisfying encounters between students. These include: working in teams; helping each other to use systems such as library databases; and participating in social events. Rowley points out that the higher education environment is often characterised by an extended C2C service encounter. In addition she enumerates a wide range of university servicescape elements where CCI is common. Indeed, on campus-style universities the CCI-servicescape can be exceedingly elaborate, often comparable to a fairly self-contained community. The above lends support to the assertion that higher education environments can be expected to provide a background for CCI-driven services.

Nicholls, Chlodnicki and Zeller[13] illustrate how Lech Poznań football club adopted a CCI strategy to deal with the problem of football hooliganism. This

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[10] E.J. Arnould, L.L. Price, *River Magic: Extraordinary Experience and the Extended Service Encounter*, "Journal of Consumer Research" 1993, No. 20 (June), pp. 24–45.

[11] Arnould and Price define *communitas* as "an evolving feeling of communion with friends, family, and strangers".

[12] J.E. Rowley, *Customer Compatibility Management: An Alternative Perspective on Student-to-Student Support in Higher Education*, "International Journal of Educational Management" 1996, No. 10 (4), pp. 15–20.

[13] R. Nicholls, M. Chłodnicki, P. Zeller, *The Process of Successfully Adopting and Implementing a Relationship Marketing Strategy – A Case Study of a Polish Football Club – Lech Poznań*, in: *Proceedings of the AMA SERVSIG Services Research Conference,* Reims, France, June 2003.

case study in relationship marketing describes how problematic supporter behaviour was transformed in a pro-social direction. An important aspect of this transformation was the strategy of involving supporters in the service process. This was done, in part, through the creation of a 'participant show' at matches, in which customers co-operated with each other to do things like building huge sentences from square paper boards. The Lech case study has wider application to the domain of spectator sports and mass events, which are often characterised by more C2C interaction than C2E[14] interaction.

In a study of Club 18–30, Nicholls[15] demonstrates how the UK's leading party tourism operator has, over a 40 year period, developed its operations and marketing communications to create a CCI-driven service. It is emphasised that Club 18–30 devotes much attention to catalysing social interaction between its customers. Illustrations of this include: the use of promotional material to set obvious expectations of making new friends on Club 18-30 holidays; the use of extensive ice-breaking and integration activities; and the emphasis on ensuring the holiday reps focus resolutely on fostering the desired C2C climate. The perception of party tourism as being CCI-driven is echoed in a review of party tourism by Horner and Swarbrooke.[16]

Baron *et al.*[17] analyse speeddating from a CCI perspective. Speeddating is a service where strangers, usually for payment of a fee, attend a social event where they have short 'dates' in a semi-organised fashion with a range of partners. As such, customer-to-customer interaction is central to speeddating. The study examines what goes on at a speeddating event, and reveals what are the typical conversational themes. The CCI-related expectations of participants are also explored. Whilst the emphasis is on positive CCI, the authors also discuss what could be done to avoid negative CCI. Finally, the article introduces an interesting theme regarding the observation that customers plan for the anticipated CCI.

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[14] Customer-to-Employee.

[15] R. Nicholls, *The Application of Integrated Marketing Communication in C2C Value--Driven Services*, in: *Marketing przyszłości:Trendy. Strategie. Instrumenty*, t. II, Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 473, Ekonomiczne Problemy Usług nr 12, Wydawnictwo Naukowe Uniwersytetu Szczcińskiego, Szczecin 2007, pp. 85–90.

[16] S. Horner, J. Swarbrooke, *Clubbing and Party Tourism in the Mediterranean*, in: *International Cases in Tourism Management*, Elsevier Butterworth-Heinemann 2004, pp. 233–241.

[17] S. Baron *et al.*, *op.cit.*, pp. 211–232.

Laurier and Philo[18] have undertaken qualitative research into how people use cafes. Whilst this research is very wide ranging, and includes a historical and international perspective on café culture, one aspect of the research looked at interactions between strangers in cafes. An interesting dimension to their research was the use of all-day filming and video analysis of café life. Laurier and Philo emphasise the café is, unlike some places, a type of public place where it is possible to enjoy sharing the environment with others.

Research into retailing has identified examples of specialist retail settings where CCI can be considered as a core component of the service concept. In situations where customers have common interests or hobbies there is potential for C2C knowledge transfer. Some retailers have learnt how to benefit from this CCI-based source of value. Harris, Baron and Davies[19] report the case of Needlebox, a US retailer specialising in embroidery crafts: Needlebox holds weekly sessions on cross-stitch for customers, where more experienced customers willingly advise newcomers. Harris, Baron and Parker[20] mention a case study of a shop in Derbyshire, England, serving rock and mountain climbers. The shop's owner realised the commercial benefits of providing an opportunity for fellow climbers to socialise. The front part of the shop was fairly standard retail, but the back part of the shop was carefully designed so as to facilitate C2C conversations between fellow climbers. In a short case, Gummesson[21] describes a Swedish bookstore where an important part of the service concept is to provide a meeting place for book lovers. A number of actions support this strategy, for example: there are regular meetings with authors and the bookstore includes a small cafe.

The retail examples given above seem to be examples of third places. *Third places* is a term coined by sociologist Ray Oldenburg[22] to describe places which, beyond first places (home) and second places (work), provide social nodes for individuals. Service environments are a common type of third place.

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[18] E. Laurier and C. Philo, *The Cappuccino Community: Cafes and Civic Life in the Contemporary City*, Final Report ERSC Research Project R000239797, September 2005.

[19] K. Harris, S. Baron, B. Davies, *"What sort of soil do rhododendrons like?" – Comparing Customer and Employee Responses to Requests for Product-Related Information*, "Journal of Services Marketing" 1999, No. 13 (1), pp. 21–37.

[20] K. Harris, S. Baron, D. Parker, *Understanding the Consumer Experience: Its good to Talk*. "Journal of Marketing Management" 2000, No. 16, pp. 111–127.

[21] E. Gummesson, *Many-to-Many Marketing*, Niche Information, Stockholm 2008.

[22] R. Oldenburg, *The Great Good Place*, Marlowe and Company, New York 1999.

Typical examples are coffee houses, pubs and churches. They can be particularly attractive for people with a lack of social contact in the first and second place. A number of service management writers[23] have emphasised the value of commercial friendship for regular patrons of third places. Recently Rosenbaum[24] has explored the role of employees[25] in providing social support in a neighbourhood restaurant context. But as important, or even more important, than commercial friendships with employees can be the friendships between customers in third places.

2. Identifying CCI-driven services

Having reviewed the scant literature on CCI-driven services, this section identifies and explores services in which managerial attention has been paid to structuring the interactions between customers so as to create value. The illustrations are from a variety of service industries, including education, leisure and tourism. They cover both profit and not-for-profit service organisations that use CCI as a key component of their strategy.

Schools, para-school organisations and higher education institutions are a fertile area for seeking out CCI-driven services. In schools with a high community context, such as boarding schools, CCI value added may be particularly relevant. For example, the Private Girls School at Szmanow (near Warsaw), employs a number of systems based on pupil-to-pupil support: existing pupils are used to facilitate the induction of new pupils (including the allocation to each new pupil of a mystery carer – known as an 'Angel'); and evening study time is broken down into a number of sessions, with one specifically intended for mutual help with homework.

In higher education institutions the role of student-to-student interaction is often one of the main drivers of value. This issue has already been mentioned

[23] C Goodwin, *Communality as a Dimension of Service Relationships*, "Journal of Consumer Psychology" 1997, No. 5 (4), pp. 387–415.; L.L. Price, E.J. Arnould, *Commercial Friendships: Service Provider-Client Relationships in Context*, "Journal of Marketing" 1999, 63 (October), pp. 38–56.

[24] M.S. Rosenbaum, *Exploring the Social Supportive Role of Third Places in Consumers' Lives*, "Journal of Service Research" 2006, No. 9 (1), pp. 59–72.

[25] Although Rosenbaum pays some attention to the social support role of other customers, he focuses overwhelmingly on the social support role of restaurant employees.

above in the discussion of Rowley's work. More recently Zeller[26] has closely examined CCI in a higher education context. He emphasises the range and the centrality of the student-to-student experience. Indeed, in some areas of higher education CCI-driven value is fundamental. Based on a survey of MBA programme promotional material, Nicholls[27] has demonstrated the high level of importance attached to CCI by top European business schools. For example, frequent reference is made both to the international nature of co-students and to the diversity of their industrial sector experience.

Tourism is a service industry where customers often interact with one another over extended periods of time and in highly involved circumstance. Accordingly, it provides a wealth of illustrations of the use of CCI as a core element of value creation. Some package holidays try to augment CCI value added by excluding some customer types. For example: women-only holidays[28] are, to some extent, a response to a desire by some women to relax with other women away from the presence of the male personality. For similar reasons some hotels and restaurants are for women-only.

Some restaurants incorporate CCI as an important part of their service concept. They purposely employ sociopetal spacing, i.e. spacing which brings customers together. The Benihana restaurant chain, for example, employ seating arrangements and a food preparation process intended to encourage interaction between total strangers. Quim restaurant in the UK has two eating zones, one is the standard detached table for eating in privacy, the other is styled as "talk2me" where customers sit at a round table and unreservedly talk with other diners. In Poznan there is a café, aimed primarily at the young singles market, in which every table has a telephone that can be used either to order from the bar or to talk to strangers at other tables. This cafe is an example of a type of service, which could perhaps be labelled 'social introduction services', where a prime reason for consuming the service is to make friends and look for personal relationships.

Formal social introduction services have existed for many decades, but increasingly other services are starting to identify opportunities to profit by facili-

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[26] P. Zeller, *Rola systemu studenckiej oceny jakości w doskonaleniu procesu zarządzania szkołą wyższą*, Ph.D. Thesis, The Poznań University of Economics, Poznań 2008.

[27] R. Nicholls, *Interactions…*, pp. 202–203.

[28] For example, Walking Women offers women-only guided hikes in the UK.

tating social introductions. For example, the author has learnt of a Polish cinema which includes movie showings for singles, where female customers are allocated odd seat numbers and male customers even seat numbers. A number of travel agents, for example One Fun and Just You, offer group holidays aimed at the singles market. Some firms even hold pre-holiday get-togethers as a way of breaking the ice between travellers. Travel firms may also be concerned to bring together customers who are likely to be socially compatible. For example, One Parent Family Holidays targets its holidays at single parents in order to meet their specific emotional and social situation. Single parents find such holidays less socially awkward and, furthermore, often help each other out with child care.

3. Managing CCI-driven services

The above illustrations provide ample evidence that CCI can be used as a means of systematically creating value. Service managers and strategists need to take into account CCI-based value creation as a strategic option when designing or re-designing services. Indeed, service managers perform a key role in designing and managing CCI-driven services.[29] A number of common managerial challenges emerge from studies of CCI-driven services:

1. Becoming acquainted with what positive CCI occurs naturally in the business, evaluating both its desirability, and the practicability of the service organisation itself catalysing such CCI. For example, a specialist retailer may notice that customers frequently get into conversation with one another.
2. Considering, at the service concept design stage, the potential for incorporating C2C added value within the service concept itself. For example, a coffee house needs to decide if, and how, it will provide for CCI.
3. Identifying customer segments with the appropriate skills or characteristics to suit the C2C service concept. Or sometimes, within the customer base, it may be possible to match customers so as to increase compatibility. For example, at Shouldice Hospital room-mates are matched according to their

[29] Baron *et al.*, *op.cit.* p. 227, have described this managerial role as that of a 'shaper', where the service organisation "creates and designs the CCI as a core element of the service". This section attempts to identify the scope of this shaping function.

occupation, background and interests. Hence, they are fairly likely to have something in common.

4. Establishing a brand which communicates the CCI-driven service concept and the intended market. An example of this is the brand "Club 18–30", which clearly communicates its CCI-related age limits.
5. Designing the servicescape to generate an environment that supports positive CCI. For example: Shouldice Hospital does not have televisions in bedrooms so as to encourage use of the common room; Warwick Business School provides its MBA student teams with a meetings room or space.
6. Designing the process so as to encourage interaction between customers. For example: Warwick Business School sends its new MBA intake off on an ice-breaking adventure camp, thus obtaining very rapid bonding; adventure tourism firms design-in activities such as passing supplies along a human chain to reinforce teamwork between customers.
7. Creating training and communication materials designed to prepare customers for their C2C role. Scripting anticipated C2C roles into marketing communications can increase customer awareness of the intended CCI. This will be particularly important when the CCI-related element of the service concept differs to the industry norm.[30] Customers who accidentally enter certain CCI-driven services, such as a pub having a singles night or a gay pub, may see it as problematic or at least feel confused.
8. Determining how to intervene in situations when CCI is either not positive, or not the type the service organisation is seeking. For example, if a speed-dater is behaving outside the 'rules of conduct'. If the service organisation does not intervene, or at least attempt recovery, when CCI gets out of control, it may be open to criticism. This was certainly the case when, on a Club 18–30 holiday, a female customer had her head shaved by fellow customers whilst she was asleep.

4. Future research agenda

Whilst this article has found evidence of some attention to CCI-driven services in the service management literature, much scope remains for further rese-

[30] See, for example, the Benehana restaurant service concept (described above).

arch into such services. A preliminary step would be to identify a fuller range of CCI-driven services within, for example, the education, tourism, health, and hobby-related retailing sectors.

The study of CCI in third places seems to be a promising avenue for future research. A range of well established trends in Western countries, such as the ageing of consumers and the decline of traditional family care arrangements, suggest that some service consumers will increasingly appreciate service settings which manage to create a third place atmosphere.

Future research should also be directed at investigating CCI-driven services in an e-service context.[31] Net-based customer communities, often connected to ownership of technical and/or iconic goods, have attracted a fair degree of research interest. Far less attention, however, has been paid to e-services which seek to add value primarily through introducing and smoothing value creation and exchange between customers. Such e-services have been described as sociopetal e-services,[32] emphasising that they operate by bringing customers together. Examples of such e-services include: e-learning group work; e-auctions and on-line games. Some CCI-driven services bring customers together in both the physical world and the virtual world. This fluidity (and sequencing) of CCI between the physical and virtual world seems to be a particularly original field for future research into CCI.

For those wishing to engage in research of CCI-driven services the methodologies already utilised to investigate CCI should be considered. The critical incident technique and methods involving participant observation seem to be particularly appropriate. Useful research outcomes would include a classification of CCI in CCI-driven services, and further case studies on CCI-driven services.

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[31] This sort of CCI has been labelled e-CCI by R. Nicholls, *Interactions…*, p. 70.

[32] R. Nicholls, *Customer-to-Customer Interaction in the World of e-Service*, "Service Management" 2008, No. 3, pp. 97–104.

USŁUGI OPIERAJĄCE SIĘ NA INTERAKCJACH MIĘDZY KLIENTAMI (CCI) – BADANIE NOWEJ KONSTRUKCJI

Streszczenie

Przez ostatnie czterdzieści lat jednym z głównych tematów badań nad zarządzaniem usługami było określanie strategii umożliwiających organizacjom usługowym tworzenie wartości. Ostatnio zaczęło dominować przekonanie, że często to klienci usług są współtwórcami wartości. Autor artykułu posuwa się jeszcze dalej, badając, w jaki sposób klienci usług mogą być także współtwórcami wartości dla innych klientów. Dokonuje przeglądu systemów świadczenia usług, w których strategii usługowej najważniejszym aspektem tworzenia wartości jest interakcja między klientami. Referat jest bogato zilustrowany przykładami usług opartych na CCI, a wywodzących się z różnorodnych przedsiębiorstw usługowych. Autor podaje przykłady zadań związanych z projektowaniem i zarządzaniem usług opartych na CCI. Wysuwa też propozycje kierunków przyszłych badań w tej dziedzinie.

Chapter VI

INNOVATIONS MANAGEMENT

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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DEVELOPMENT OF LAMS PLATFORM ON FACULTY OF MANAGEMENT AND ECONOMICS OF SERVICES OF UNIVERSITY OF SZCZECIN

1. Description of LAMS WZiEU Project

The beginning of the LAMS WZiEU Project was in 2006, when the contact was established between the Department of Management and Economics of Services of University of Szczecin and elearning Institute MELCOE of Macquarie Innovative University in Sydney. Effect of this co-operation was one of author's scholar visit at Macquarie University, creating polish version of LAMS system (learning activity management system) and first implementation of Australian elearning and blended learning platform in Poland.

In April 2007 LAMS WZiEU Project team was established and its main goal was to begin realization of:

- Final test of polish version of LAMS system (April 2007),
- Implementation of LAMS system on elearning server in WZiEU network (May 2007),
- Selection and essential elaboration of issues of first subject for teaching using blended learning method (May 2007),
- Creation of internet website LAMS WZiEU (May–June 2007),

– Elaboration of Computer Science e-course (June–August 2007),
– Test and verification of e-course, improvements (September 2007).

The first stage of LAMS WZiEU Project is finished. Overall efficiency assessment of applied elearning methods is positive in opinion of students and teachers as well.[1]

2. Development of LAMS WZiEU Project

Second stage of LAMS WZiEU Project started in March 2008. It consisted of: new e-learning dedicated server purchase and installation, next version of LAMS system installation (with branching features), evaluation of the Computer Science subject, elaboration of next two subjects for e-learning and blended learning and integration with available, open source LMS system.

2.1. Characterization of technical infrastructure

In connection with building wider conception of e-learning implementation on WZiEU, decision about purchase and installation new e-learning dedicated server was made. The crucial requirement was the ability to provide efficient and stable work for at least 300 active users logged in LAMS. The choice was solution from Fujitsu Siemens – Primergy RX300 S4 server. The most important technical details of the server are shown in the table 1.

Table 1. Specification of new e-learning dedicated server

Type	Dual Socket Rack Server
Chip set	Intel® 5000P
Processors	2x Intel Xenon Quad-Core 2,83 GHz
Memory	16 GB DDR2 PC2-5300F
Hard disk drives (all hot-plug)	6x 300GB SAS
LAN	2x Gbit Ethernet
Output power	2x 700W

Source: own elaboration based on: http://www.fujitsu-siemens.com.

[1] On the basis of: http://lams2008.lamsfoundation.org/pdfs/CAD_003%20Full%20paper.pdf .

During the first stage of the LAMS WZiEU Project, system LAMS was installed on low efficiency server. Because of that it was extremely important to optimize configuration of the server. After several tests it was recognized that factor which had great influence on server performance was java virtual memory setting. Increasing default settings of XMX, XSS and XX memory size caused noticeable improvement in server performance. This modification was also applied to dedicated server.

Another crucial factor is internet connection capacity. WZiEU uses symmetric internet connection with 1Gb/s bandwidth. The minimum available bandwidth allocated to e-learning server is set to 100Mb/s. Internet connection capacity does not pose a threat in distributing content to users of LAMS system.

Considering the use of LAMS platform at WZiEU, it should be assumed that WZiEU is well prepared in the field of technical requirements.

2.2. Designing courses for e-learning and blended learning

Content preparation of two new e-courses was preceded by: source document analyze, selection of learning model in view of time (synchronous, asynchronous) and the way of content distributing (e-learning, blended learning), choice of tools to present and verify the content and to interact with students taking into account essential features of behavioral and constructiveness approach. Two new subjects were designed:

1. History of economic thought (HoET) – e-learning course. Thirteen didactic sequences are designed to cover material realized using traditional methods. These materials will be gradually accessible on LAMS platform. After the end of all didactic sequences, knowledge verification in form of e-learning test using LAMS system will take place in computer laboratories.
2. Strategic management (SM) – blended learning course. Theoretical lectures are carried out using traditional methods (30 hours in semester), while verification of the theoretical knowledge in form of e-learning test using LAMS system will take place in computer laboratories. Furthermore summary of each lecture is available for students in LAMS system.

   Practical part is carried out in classroom, 30 hours in semester. During the classes, students divided into small groups have to solve tasks connected with economic situation of virtual enterprise in the aspect of chosen issue within the subject. At home students are obliged to make exercises sent by

teachers via LAMS platform. It is assumed that students work in group of four and use synchronous or/and asynchronous mechanisms to communicate and solve tasks. Sequence gates activity enforces students to do exercises in time specified by a teacher.

Because of the specific character of the course, the main information carriers are presented in the table 2.

Table 2. Main information carriers used in described e-courses

History of economic thought	Strategic management
1. Text resources 2. Flash animations 3. Simulations 4. Quizzes, interactive exercises 5. Multimedia resources: – videos – audio recording – photos 6. Virtual mentor	1. Text resources. 2. Graphics: – pictures – charts – diagrams 3. Interactive exercises 4. Forum or/and chat activity with scribe function

Source: own elaboration.

Electronic materials include additional elements like tests and polls, surveys, supplementary materials and possibility to send files to the teacher, which can be found in common e-course.

The process of creating e-course was contemplated on three aspects, assuming their strong interaction with each other:

- Didactic – correctness of e-course content,
- Methodological – converting content into knowledge possible to absorb,
- Technical – providing correct, possible to absorb knowledge through the e-learning system.

The figure below presents the flow of work and tasks partition that are necessary to realize e-course (e-learning or blended learning) and points time needed to build particular stage of the course.

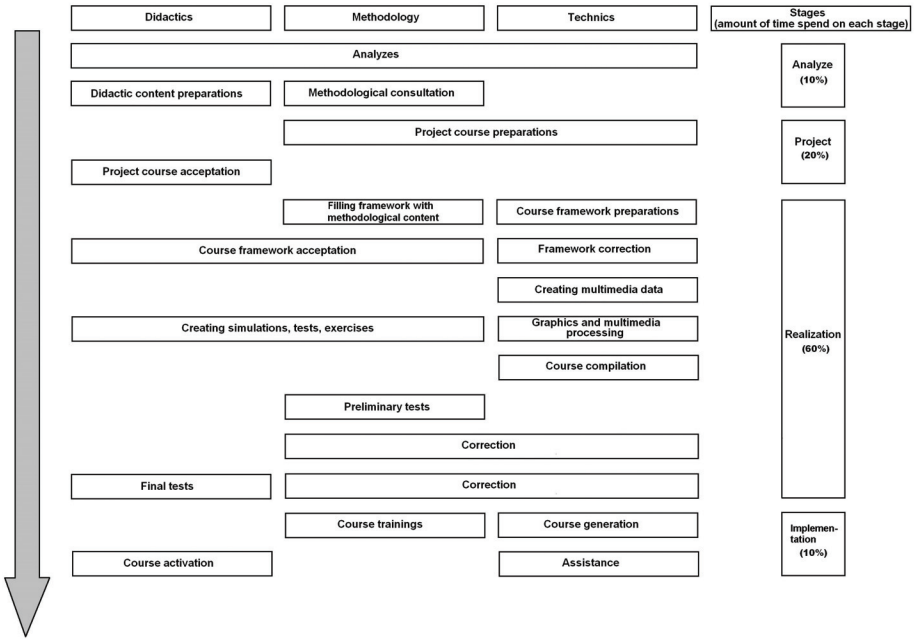

Fig. 1. Process of e-course creation
Source: own elaboration based on M. Hyla, *Przewodnik po e-learningu*, Oficyna Ekonomiczna, Kraków 2005, p. 176.

The team responsible for preparing didactic content and e-course had interdisciplinary character and consisted of specialist with different provinces. WZiEU research workers were supposed to elaborate didactic part of the course. In regard of high costs of preparing course in the technical and methodical sense, it was resolved to use Australian and Polish experience and to elaborate subjects in LAMS WZiEU Project team.

According to general principle of on-line course building, the training was organized before source material preparation. The aim of the training was clarification of e-learning specification. Participants of the course agreed that understanding the clue of e-learning, enable efficient and effective work towards didactic elaboration of course content and improve the quality of course in technical and methodical sense: prepared source documents did not need profound structural changes, they suggested interesting forms of multimedia and interactive teaching, contained different exercises and tests.

The biggest challenge was transforming didactic content into e-learning language, so the choice of techniques and mechanisms of remote teaching which could help to achieve training aim in the best way. It seems that the methodological experts are responsible for the quality of prepared course. The table below shows form, e-learning instruments, basic components of prepared e-learning courses and the software used to implement them.

Table 3. Elements of e-course

	History of economic thought	Strategic management
Learning model	E-learning	Blended learning
Activities (main course components)	1. Content presentation – Noticeboard – Share Resources 2. Content verification – Multiple Choice – Submit Files 3. Interaction with students – Question & Answer – Survey – Notebook – Voting – Forum	1. Content presentation – Noticeboard – Share Resources 2. Content verification – Multiple Choice – Submit Files 3. Interaction with students – Question & Answer – Survey – Notebook – Chat & Scribe – Forum & Scribe 4. Sequence management – Sequence Gates – Grouping – Optional Activity
Methods of content presentation	1. Text resources 2. Graphics elements 3. Flash animations 4. Simulations 5. Quizzes, interactive exercises 6. Virtual mentor 7. Multimedia resources – video – audio recordings – photos	1. Text resources 2. Graphics elements – pictures – charts – diagrams 3. Interactive exercises
Communication methods	Asynchronous	Synchronous, asynchronous
Used tools	1. Commercial – Adobe Captivate – SwishMAX – Microsoft Office – Adobe Photoshop 2. Non-commercial – HyperSnap – Hot potatoes	1. Commercial – Microsoft Office 2. Non-commercial – Gimp – HyperSnap

Source: own elaboration.

Technical competence is essential to transform content delivered by didactic experts and organized in teaching methods by methodological designers into e-learning course. The following tasks present the range of technical work essential to elaborate described courses and the table 4 presents number of hours needed to accomplish them.

1. Design of course structure – graphical design, navigation framework programming, creating relations between elements of a course etc.
2. Development and verification of source documents – language verification and content integrity, possible corrections.
3. Home page – visual and technical home page development.
4. Flash animations – creating set of animations which make the content more attractive and interesting; visualization of a problem essence.
5. Virtual mentor – development of mentor profile and comments connected with course content and students achievements.
6. Filling course with information content – inputting text, graphics and multimedia resources, content processing.
7. Filling course with multimedia content – providing interactive exercises, pools, tests, simulations – tools that activates trainee, possible corrections.
8. Graphics processing – making content visually attractive, visual integrity affirmation, improvements of particular elements.
9. Hyperlinks – hyperlinks to additional materials, dictionary, indexes etc.
10. Verification, tests, improvements – didactic, methodological, technical verification, improvements, tests (especially interactive elements).

Table 4. Amount of technical work

Task	Amount of work (hours)	
	HoET	SM
Design of course structure	60	20
Development and verification of source documents	12	4
Home page	3	2
Flash animations	80	0
Virtual mentor	10	0
Filling course with information content	15	6
Filling course with multimedia content	14	4
Graphics processing	16	4
Hyperlinks	4	2
Verification, tests, improvements	30	6
Total amount of work	**244**	**48**

Source: own elaboration.

The same approach as shown in the figure 1 can be used to build e-learning or blended learning courses. Similar components (activity) were used while preparing courses, which allows to claim it is the subject characteristic that determines the choice of required activities rather than form of passing the knowledge. Both courses apply asynchronous communication mechanisms, additionally Strategic management course offers possibility of synchronous communication by chat activity. The basic difference in elaborating electronic courses is time needed to prepare multimedia and interactive elements for e-learning courses. Lack of contact with the teacher enforces implementation of innovative, interactive learning forms, which activate the trainee and facilitate acquirement of knowledge. That is why the use of more advanced, commercial authoring tools and dedicated programs for multimedia capturing and processing is necessary. The costs incurred while preparing e-learning courses are higher than blended learning courses. Taking into account Polish conditions and the fact that WZiEU has just started to use remote teaching techniques, chosen education strategy in blended learning model seems to be correct.

3. Improvements in LAMS platform

The main aim of second stage of LAMS WZiEU Project was LAMS system installation on dedicated server, elaborating new electronic courses and LAMS system popularization in academic and business environments. Moreover, other activities were taken:

- to use synchronous learning techniques,
- to integrate with Moodle system.

WZiEU has got branches located in neighbouring cities, where classes are carried out in extramural mode. To limit frequent trips of WZiEU academic teachers, actions were taken to apply synchronous learning techniques. Within second stage, there will be on-line consultation to Computer Science subject. Because LAMS system does not have any inbuilt tools which enable synchronous communication (apart from chat), it was decided to use two free of charge programs:

- Skype – popular communicator which enables talks and audiovisual conferences,
- TightVNC – program which enables remote work with one or more computers.

Conducting on-line consultation is possible because of the mechanism implemented in programs mentioned above. The table 5 describes these mechanism.

Table 5. On-line consultation requirements

Feature	Description
Synchronous video transmission	Transmission of visual layer of presentation in synchronous mode. All participants of transmission see the same image on the screen
Voice transmission (VoIP)	Voice transmission technology that allows voice communication
Virtual blackboard	Common screen where participants can draw, write or pointing on various elements of course content
Desktop sharing	Provide remote access and remote collaboration on a participant's computer desktop

Source: own elaboration.

LAMS system allows integration with several LMS system. As s result of functional analyze of available systems (only open source systems where considered), the decision to select Moodle system was made.

Process of integration with Moodle system (ver. 1.9.2+) has been successfully finished. Combining benefits of the Course Management System (Moodle) with the Learning Design system (LAMS) might significantly enhance effectiveness of didactic process and create new generation of e-learning technology. Within second stage of LAMS WZiEU Project intensive tests of Moodle-LAMS platform are conducted before it is accessible for teachers and students.

Summary

The end of second stage of LAMS WZiEU Project is planned for February 2009. To estimate second stage of LAMS WZiEU Project there will be used factors, which determine its basis in the principal way. These are factors specifying costs incurred by WZiEU and educational factors specifying the didactic quality of running blended learning and e-learning courses.

Taking into consideration the fact that there are more academic teachers interested in using LAMS system during classes, LAMS WZiEU team is preparing to formulate foundations for next stages of LAMS WZiEU Project. The third stage will assume applying integrated Moodle-LAMS platform and taking the action to make e-learning be treated as prospective direction of didactic evolution at WZiEU.

ROZWÓJ PLATFORMY LAMS NA WYDZIALE ZARZĄDZANIA I EKONOMIKI USŁUG UNIWERSYTETU SZCZECIŃSKIEGO

Streszczenie

W artykule opisano wdrożenie systemu e-leraningowego LAMS na Wydziale Zarządzania i Ekonomiki Usług Uniwersytetu Szczecińskiego oraz realizację drugiego etapu projektu LAMS WZiEU. Zwrócono uwagę na merytoryczne, metodologiczne oraz techniczne aspekty projektowania i tworzenia kursów e-learningowych oraz blended learningowych. Scharakteryzowano dobór technik oraz narzędzi wykorzystywanych do tworzenia kursów elektronicznych. Przedstawiono nowe kierunki rozwoju platformy LAMS zakładające wykorzystanie nauczania synchronicznego oraz integrację platformy LAMS z systemem Moodle.

Chapter VII

SERVICE ENTERPRISE ENVIRONMENT

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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THE GROWTH OF COOPERATION SIGNIFICANCE IN TRANSPORT PROCESSES WITH THE PARTICIPATION OF RAILWAYS IN CONNECTION WITH THE RESTRUCTURING OF PKP ENTERPRISE

Cooperation is understood as collaboration enterprises using certain phases in the same production process in the economic meaning.[1] With reference to enterprises creating material goods understanding this definition[2] is not any causing special difficulties. An enterprise producing definite material goods cooperates with many enterprises, which number by very much compound products can be considerable (e.g. locomotive). It is harder to relate the above mentioned definition to services, in it to transport services. This service is characterized by:[3]

- lack of material character,
- unity of production and consumption,
- impossibility of its production on store.

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[1] W. Šmid, *Leksykon menedżera*, Wydawnictwo Profesjonalnej Szkoły Biznesu, Kraków 2000, p. 171.

[2] There are many different definitions of cooperation depending on the degree of detail of describing this concept. See, e.g. *Encyklopedia organizacji i zarządzania*, PWE, Warszawa 1981, p. 230–231; J. Penc, *Leksykon biznesu*, Agencja Wydawnicza „Placet", Warszawa 1997, p. 206.

[3] W. Grzywacz, *Rynek usług transportowych*, WKiŁ, Warszawa 1980, p. 31.

These are the specific features of transport service, which distinguish transport activity from material production. However, this activity has its productive character, and 'the product' of transport service is freight (person) movement itself.[4] The transport service also deals with cooperation of different enterprises with the aim of transport process realization. Depending on the quantity of the modes and means of transport three kinds of transport processes are distinguished:[5]

- direct,
- broken,
- combined.

Direct transport process is realized by one mean of transport and only one mode of transport. Freight (person) is transported from the sending point (the beginning of a journey) to the collection point (the end of a journey) by one mean of transport of a given mode. In Polish conditions most often direct transport process concerns road transport. The road transport enterprise transports freight (passengers) by stock with being in possession and managed by own workers. Cooperation can concern exclusively cases of the collaboration with the transshipping enterprises at loading and unloading of goods and only then, when the only transport enterprise does not realize this on its own (e.g. has special car stock with crane equipment). In the railway transport direct transport process will appear only at transport of goods in cases when the sender and the recipient have side tracks. When the carriage is done by railway enterprise of integrated structure, which all units (services[6]) are part of necessary for completion of the carriage, the cooperation can appear only at loading and unloading at side tracks, though the most often the owner of the side track makes these activities in own range. The situation is completely different in the case of the division of the integrated railway enterprise to individual enterprises, where the specialization is a criterion of allocating on account of activities carried out at the completion of the railway transport process. Such a situation is at present on Polish railways, where as a result of the commercialization and the restructuring the company "parent" of PKP S.A. and "dependent" companies

[4] W. Grzywacz, J. Burnewicz, *Ekonomika transportu*, WKiŁ, Warszawa 1989, p. 172.

[5] P. Zalewski, P. Siedlecki, A. Drewnowski, *Technologia transportu kolejowego*, WKiŁ, Warszawa 2004, s. 12.

[6] Services: commercial, movement, means of transport, traction, railway lines and others.

was distinguished from the integrated enterprise of the national Polish State Railways PKP, in it first of all companies connected with infrastructure[7] and also freight[8] transport and passengers.[9] In such a case at realization of transport process, in which occur railway transport must happen the cooperation of individual enterprises, so that generally might be possible carriage this mode of transport. Carrying company owning only rolling stocks and electric railcars (e.g. PKP CARGO S.A.) cannot realize transport without purchasing route from the company possessing railroad and running railway traffic (PKP PLK S.A.). In turn Polish Railway Lines JSC company (PKP PLK S.A.) in order to run railway traffic has to use telecommunication systems, which provide telecommunication and information companies and also on electrified lines has to cooperate with energy company providing traction current and being the owner of traction substations. At such an organizational structure of railways there is inevitable cooperation, because it is conditioned by the technological process as well as organizational structure. Comparing this solution to the organizational structure of the integrated railway enterprise, it is found that the degree of complexity at the realization of carriage process is growing. As far as the integrated railway enterprise is concerned all the decisions are made inside the company, as at present cooperation of a few independent companies is necessary for the completion of the carriage, what requires greater coordination and de facto is connected with the growth of organizational costs of carriage realization.[10]

In the broken transport process there is also one mode of transport, but the carriage is realized by using at least two means of transport of the same mode of transport. Such a situation appears in the railway transport, when the sender and the recipient have side-tracks and also there is transshipment from one wagon to another at the change of tracks gauge. Unloading and loading can take place at the same time or can be divided with the transient storage phase. In this fragment of the transport process is possible the cooperation with handling en-

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[7] PKP PLK S.A., PKP Energetyka Sp. z o.o., PKP Informatyka Sp. z o.o., Telekomunikacja kolejowa Sp. z. o.o.

[8] PKP CARGO S.A., PKP LHS Sp. z o.o.

[9] PKP Intercity Sp. z. o.o., PKP Przewozy Regionalne Sp. z o.o. More about PKP restructuring on website: http://www.pkp.pl/.

[10] Formation of employee teams to mutual settlement among companies was necessary in all companies. Moreover, for the purpose of settlements similar or approximate data is being registered in a few companies at the same time (e.g. transport performance).

terprises or can do this railway carrier on his own by using his means. However, transshipment is a time- and cost- consuming element. Therefore, for many years methods enabling to eliminate transshipments are being applied.[11] In the case of broken transport process in the railway transport with the participation of people for railway carrier there is not much essential difference in relation to a direct transport process, because passenger alone, as the active side of carriage, changes means of transport, i.e. wagon (transfers).

Cooperation appears in the natural way in the combined transport process, because collaboration of at least two modes of transport is necessary for the realization of the process. The cooperation process also includes collaboration with subjects localized on the joint of different modes of transport (terminals, harbours, handling enterprises). In this case appropriate coordination of the transport process with the aim of harmonious cooperation of all the participating subjects in the realization of combined transport process is essential. In this case a logistic or freight forwarding enterprise is the best coordinator.

The number of subjects of cooperation is an essential issue. Economically justified cooperation should be based on the specialization of work and production.[12] A large number of cooperators require efficient coordination which results in definite costs. In the case of enterprise producing material goods the situation is so simpler, that this enterprise itself is a coordinator as well as the production of final good takes place in one place (workshop). In the case of transport, enterprises of different modes of transport are cooperating with themselves or enterprises distinguished previously from one enterprise like at present in the case of railway transport. The transport process from its nature has spatial character, which additionally complicates the coordination process. In the railway transport the realization of transport process and railway carriage process progresses considerably efficiently in the case of integrated enterprise than in the case of cooperation of enterprises distinguished from this enterprise into independent companies.[13]

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[11] The change of wagon truck, applying wagons of conveyors or applying freight wagons with the changeable gauge wheelset on axle (e.g. Polish SUW 2000 system). For more information on the subject see L. Jakubowski, *Technologia prac ładunkowych*, Oficyna Wydawnicza Politechniki Warszawskiej, Warszawa 2009.

[12] *Encyklopedia organizacji...*, p. 231.

[13] It results from specific features organizational – technological and economic of enterprises functioning in this mode of transport. See e.g. J. Engelhardt, W. Wardacki, P. Zalewski. *Transport kolejowy – organizacja, gospodarowanie, zarządzanie*, KOW, Warszawa 1995.

The course of the restructuring process and its influence on the efficiency of accomplishment of carriages are the best evidence in confirmation of the above thesis by carriers from the Polish State Railways Group. Already from the moment of appointing the sector structure (July 1998), still in the homogeneous Polish State Railways enterprise, it was possible to observe specific „atomizing" of individual sectors actions, i.e. infrastructure, traction and the rolling stock room, passenger and freight transport. Above all, it consisted in taking care of self-interests, without looking at the whole activity of the company. With the most important adverse effect of it, was loss from the visual field of the important aim, which is efficient accomplishment the railway transport process. This tendency has been much more important in the moment of subjective transformations in 2001, when the Polish State Railways JSC was established and dependent companies were allocated from its assets. Each of the companies expected exclusive realization of it purposes (maximization of the financial result) which from the point of view of the entire Polish State Railways Group after all were only fragmentary aims in the whole railway transport process picture. There are lacking determined actions in this respect by the parent company, i.e. Polish State Railways JSC, in consequence this took the Polish State Railways for deepening the lack of cooperation within the PKP Group, of what as a result, among others were such negative phenomena:

- the growth of implementation costs of the railway transport process for elements in the form of costs of settlements among companies and profit margins calculated for oneself by companies for performed services for others;
- shifting by individual companies (especially infrastructure) of one's economic inefficiency above all on services companies[14] what caused real raising the prices of rail services for customers;
- extension of lead time of the railway transport process compared with the integrated enterprise what was connected with the start-ups of more subjects by the existing considerable degree of making the more bureaucratic procedures associated with the realization of transport process and with the low level of computerization associated with the flow of information.

[14] As well as on hauliers from outside the PKP Group using the Polish railway network.

Noticing these as well as other adverse effects of the lack of cooperation were taken in the more late period[15] action for increasing of degree of integration of the Polish State Railways Group as well as of such forming the subjective structure of infrastructure companies as well as principles of functioning of subjects on the railway transport market in order to increase the degree of cooperation of subjects acting on it. They realized, that increasing the degree of cooperation of acting entities at the completion of the railway transport process similar to the level which existed in the national integrated railway enterprise is one of factors in favour of increasing of carriages by the railway transport in Poland.

The aim of the European Union activities in the railway transport sector was bringing to the growth of the railway transport, among others by introducing intermodal competition. The increase of the share this mode of transport in total is supposed to be a result and at the same time realization of sustainable development policy, which stopping the expansion of the road transport is one of the aims. However, one should realize that now adopted solutions in the scope of functioning of railway transport cause the increase of the degree of complexity of the transport process realization, what makes that considerably increasing the meaning of proper cooperation of all the participating subjects. Only good cooperation provides its efficient realization which as consequence may result in increase of competitiveness and share of this mode in total transport.

[15] Resulting from government programmes of the restructuring of the railway sector so like among others: Strategy for railway transport till 2013 (2007 r.), whether Master Plan for the railway transport in Poland till 2030 (2008). Documents are accessible on websites of Ministry of Infrastructure – www.mi.gov.pl.

WZROST ZNACZENIA KOOPERACJI W PROCESACH TRANSPORTOWYCH Z UDZIAŁEM KOLEI W ZWIĄZKU Z RESTRUKTURYZACJĄ PRZEDSIĘBIORSTWA PKP

Streszczenie

Celem artykułu było przedstawienie problemu znaczenia kooperacji przy realizacji procesów transportowych z udziałem transportu kolejowego na przykładzie Polski. Autorzy na wstępie omówili pojęcie kooperacji i jej odniesienie do transportu, a następnie przedstawili występującą kooperację podmiotów w poszczególnych rodzajach procesów transportowych przy uwzględnieniu aktualnej organizacji sektora kolejowego w Polsce. Konkluzją powyższych rozważań było stwierdzenie, że w transporcie kolejowym do właściwej realizacji procesu przewozowego niezbędna jest kooperacja poszczególnych podmiotów w nim uczestniczących. Procesy restrukturyzacyjne spowodowały przekształcenie części dawnych służb kolejowych w ramach przedsiębiorstwa zintegrowanego PKP w odrębne organizacyjnie podmioty. To sprawia, że znaczenie kooperacji wzrasta. Jednym, więc z efektów działań UE mających na celu doprowadzenie do zaistnienia konkurencji wewnątrzgałęziowej w transporcie kolejowym jest wzrost liczby podmiotów uczestniczących w realizacji kolejowego procesu przewozowego. Autorzy stwierdzają, że tylko ścisła kooperacja tych podmiotów może zapewnić sukces tej gałęzi transportu w postaci wzrostu jej konkurencyjności a dzięki temu i udziału w przewozach ogółem.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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PROVIDING OF ECONOMIC INSURANCE SERVICES VIA INTERNET AS A DIRECTION OF STRENGHTENING THE POLISH POST MARKET POSITON

Realization of the 3rd postal directive[1] proposition and the full opening of the polish PM will worsen the Polish Post (PP) market situation. The proposition are basing most of all on three issues:

- stagnation of the basic for PP letter postages market,
- a relative small amount of postal sending per capita in Poland (in Poland about 40 sending per capita comparing to about 180 sending per capita in EU),[2]
- limiting of PP activities to national market, what doesn't allow to soften the foreseen decrease of customer number with income achieved on other markets.

One should assume that PP cannot count on improvement of its economic situation by getting subventions for providing universal services. Although EU

[1] European Union (EU) imputes an important role to the improvement of postal market (PM) expecting, that this development requires a full opening of this market to competition by successive limiting monopoly areas. The 3rd postal directive 2008/06/WE from 20 February 2008 indicates that the EU PM should be fully opened until the 31 of December 2010, enabling 11 countries (including Poland) a postponement of that deadline until 31 of December 2012.

[2] Cmp. J. Buko, *Powszechne usługi pocztowe w Polsce. Stan obecny i koncepcja zmian*, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin 2009, p. 117.

allows that kind of subventions (after proving deficit from providing that kind of services), it is hard to get it because of:

- budget deficit that is deepened by the world financial crisis,
- a small chance of creating in Poland a compensation fund, that would be generated from fees from operators acting on polish market, which would aim at subsiding the operator that provides universal postal services.[3]

In this situation PP besides providing traditional services (letters, packages) should emphasize the development of other segments of activity, which should allow to achieve an positive economic result. One of such segments that creates this chance is providing of economic insurance services (EIS).

Development of this sector is justified due to:

- law authorization for PP to provide such services,
- considerable development of economic insurance market in Poland,
- some experience of PP regarding providing of EIS.

According to the Act from 12 march 2003 Post Law, PP is authorized to:[4]

- provide financial services and to execute activities connected with it,
- procurement in executing of financial services, in that the procurement of insurance services.

Broad utilization of those authorizations is in PP interest, especially when taking into account that the polish insurance market is characterized by:[5]

- increasing buyers curiosity with insurance products, in that also new ones based on world standards,
- growing society wealth and increased insurance consciousness,
- profitability of insurance sector.

Above mentioned information indicate on a grow potential hidden in the polish market of economic insurances and on the importance of a strong engagement of PP on this market.[6]

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[3] As it is stated by Infrastructure Ministry, the estimated PP needs regarding subventions of universal postal services will reach 325 mln zł, and the income of alternative operators on the polish post market have reached 1,7 bln zł in 2007 and only 12 operators achieved an income over 5 mln zł (see *Wstępne założenia do projektu ustawy regulującej funkcjonowanie polskiego rynku usług pocztowych w warunkach pełnej konkurencji*, przygotowane przez Zespół powołany przez Ministra Infrastruktury, Warszawa 12, September 2008 r., p. 9).

[4] See Ustawa z dnia 12 czerwca 2003 r. Prawo pocztowe, DzU 2003, nr 130, poz. 1188, art. 82.

[5] *Financial Results of Insurance Companies in Poland in 2008*, GUS, Warszawa 2009.

[6] The fact, that this market still reports a big need for employees show also its potential. Source: InfolPraca.pl data from May 2009 r. (quoted from: Praca, dodatek do Dziennika from 11.05.2009 r.).

One should mention that PP in the year 2000 brought into being the Postal Financial Services Agency (Pocztową Agencję Usług Finansowych – PAUF SA), in which it holds 60% of shares (the rest of 40% belongs to Cardif insurance group). PAUF offers – amongst others – such products as:[7]

- Cardif life insurances,
- MTU automobile and financial insurances (eg. Package "my car", "my house", my business"),
- Towarzystwo Ubezpieczeń Wzajemnych (TUW) compulsory and optional insurances,
- TUW postal insurances (eg. liability insurance, house insurance).

PP plans to increase its activity in providing EIS. PP signalizes, that in 2009 they will begin to sell the car insurances, house insurances, liability insurances, travel insurances and insurance products for small and medium enterprises in 250 special financial bureaus localized in post offices. A company belonging to the group of Pocztowe Towarzystwo Ubezpieczeń Wzajemnych (PTUW) will issue the insurance policies. According to the plans of PP, until 2012, insurance offer will be provided in 3,3 thousand special bureaus in post offices.[8]

Realization of his aims requires ensuring for this concept a proper amount of financial resources and proper number of qualified staff as well as a good cooperation between sale and service department (especially those departments responsible for customer service and claims management). However, the presented by PP concept indicates that's it is directed on creation of competition towards traditional insurers, especially those acting beyond big cities.

Such approach may hinder a full exploitation of the potential hiding in providing EIS by PP. More appropriate would be the use of a concept basing not only on traditional EIS sales channels (sale in offices), but extending it with electronic sales channels by using Internet and e-business solutions. Only companies using that trend are able to offer their customers added value, by ensuring a faster and more complex access to information and a improved customer service. At the same time PP will gain new chances of development. The necessity of utilization of such chances affects primarily companies functioning on strong competitive markets, amongst others on the insurance market.

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[7] See PAUF advertisement materials.

[8] Cmp. „Rzeczpospolita" from 24.03.2009 r.

Providing of EIS by PP with the use of Internet should be realized on the base of multiplication strategy, subsequently followed by the use of integration strategy. A general characteristic of those strategies and its aims comparing to other strategies of e-business and e-commerce engagement shows table no 1.

Table 1. E-commerce strategies and its corresponding innovative distribution systems

Company strategy	Adaptation	Multiplication	Integration	Migration
Type of innovative distribution systems	Electronic access to basic information about company	Internet channel containing the whole customer service process and functioning independently from traditional channels	Internet channel containing the whole customer service process and integrated with traditional channels	Customer service realized only through Internet channel
Aims	– protection of basic activity, – image improvement, – increasing the company awareness within the customers, – increasing of know-how	– general improvement of profitability, – increase of turnover and income, – brand revitalization, – better infrastructure use	– general improvement of profitability, – increase of turnover and income – brand expansion, – risk and dependence reduction	– profitability achievement due to cost rationalization, – financial independence, – brand building, – information commercialization
Strategic options in distribution process	backup for existing activity	backup for existing activity by creating additional, separated internet channel	creation of integrated distribution system allowing wide use of traditional and electronic channel potential	entry in New activity area based on exclusively use of electronic channel

Source: B. Birkhofer, *E-Commerce als innovativer Absatzkanal. Ein entscheidungsorientiertes Modell*, Rosch–Buch, Schesslitz 2001, p. 124, 219.

Widening the traditional EIS sale channel by the electronic EIS sale channel can assure two-way benefits:

a) from one side:
   - possibility to offer the customers an added value,
   - gaining customers interested with using modern sales channels;

b) from the other side:
   - rationalization of company's functioning costs,
   - improvement of internal processes.

In consequence it means, that implementation of electronic EIS sale channels in addition to the traditional ones should improve the image of PP and strengthen its market position comparing to other companies providing insurance services.

Selling EIS with the use of electronic channels requires indispensable resources, like:

- staff that is able to use informatics tools,
- specialized hardware,
- software,
- prepared and appropriate presented information about EIS providing,
- - marketing abilities.

PP has at its disposal that kind of resources, which is a good base and should simplify the introduction of EIS sale with the use of electronic channels. But to succeed in his area it's also necessary to:

- appropriate connect own tangible and intangible resources and link them into the company's functioning structures,
- create conditions encouraging customers to use the presented business offer.

Those issues are solved mostly during the phase of conception elaboration and its subsequent market implementation. And a correct elaboration of such conception requires amongst others:

- to formulate the aims, which should be achieved,
- to define basic success factors as well as
- to recognize the planned income sources.

ŚWIADCZENIE USŁUG UBEZPIECZEŃ GOSPODARCZYCH VIA INTERNET JAKO KIERUNEK WZMACNIANIA POZYCJI POCZTY POLSKIEJ

Streszczenie

Rynek pocztowy jest ważnym segmentem prawie każdej gospodarki. Biorąc pod uwagę postępujący proces liberalizacyjny, firmy działające na tym rynku (a szczególnie Poczta Polska) są obecnie zmuszone do funkcjonowania w coraz bardziej konkurencyjnych warunkach i walki o swoich klientów. Stagnacja na niektórych podstawowych z punktu widzenia Poczty Polskiej rynkach zmusza tę firmę do dywersyfikacji swoich działań i rozpoczynania działalności w nowych segmentach, takich jak sektor ubezpieczeniowy. Autor stara się w artykule wskazać możliwe sposoby postępowania Poczty Polskiej we wprowadzaniu działalności ubezpieczeniowej z wykorzystaniem Internetu.

Chapter VIII

REGIONAL MANAGEMENT

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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UNIT COSTS OF ADMINISTRATIVE SERVICES BASAED ON THE EXAMPLE OF LOWER-SILESIAN DISTRICTS

Introduction

The specific nature of administrative services consists in providing all inhabitants of the given area with extensive access to them. It is of superior importance, as well as their efficiency and reliability. Therefore these issues constitute the domain of great interest for researchers. The criticism of the above research field is frequently based on the assumption that the prevailing paradigm of efficiency leads automatically towards the deterioration of accessibility considered as the primary feature of public services. However, the efficiency discussed here is understood in Paretian sense, where its increase is related to maintaining of at least the existing accessibility level.[1]

The next issue risen by the critics of analyses regarding the efficiency of public services is that these are difficult to calculate. It refers to the precision in determining both parties of such relationship, namely the costs and the results. However, in practice the problem consists not just in incalculability, but mainly in the lack of monitoring system covering costs and effects of public services. Instead of the above, the assumption of optimum efficiency turns out

[1] J. Stiglitz, *Ekonomia sektora publicznego*, [Public sector economics] PWN, Warszawa 2004, p. 69–70.

to be the one predominating in the public sector. This fact leads directly to a conclusion that the only way to improve the results is by increasing due expenditure.[2]

A new approach towards the problems of efficiency in public services has emerged together with spreading of *New Public Management* rules. However, the experience of Anglo-Saxon countries indicates that the implementation of management practices common for private sector regarding public services does not result in unequivocal effects.[3]

It is pointed out in professional literature that the competitive conditions rather than legal form and management pattern become the key factors for increasing efficiency.[4]

Unfortunately, the influence of this factor is strongly limited by the specific nature of public services which in many domains are rendered under the conditions of natural monopoly. An obvious example of the above is performing administrative services, which are usually directed towards the inhabitants of a precisely defined area. In such cases it may turn out very helpful to develop substitutes of competitiveness and establish the system of comparisons resulting in stimulating rivalry.[5] The above mentioned system of comparisons can even be created in relation to these services which present a standardised final outcome. It refers to, among others, these administrative services (e.g. issuing a driving licence) where the result is the same, irrespective of which office performs the service. Differences may concern only the effectiveness (e.g. length of waiting time for the due procedures to be completed, comfort the office, as observed by the customers visiting it, where these services are provided etc.) and the efficiency itself.

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[2] W. Misiąg, *Mierzenie zadań publicznych jako podstawa planowania budżetowego* [Measuring public tasks as the basis for budgetary planning], in: *Ekonomiczne i prawne problemy racjonalizacji wydatków publicznych*, t. 1, *Racjonalizacja wydatków publicznych – uwarunkowania i instrumenty*. [Economic and legal problems of public expenditure rationalization, vol. 1, Rationalization of Public Expenditure – Determinants and Instruments], ed. J. Głuchowski et al. UMCS, Lublin 2005, p. 153.

[3] *Nowe zarządzanie publiczne w polskim samorządzie terytorialnym* [New public governance in Polish local authorities] ed. A. Zalewski, SGH, Warszawa 2007, p. 209; S.J. Bailey, *Local Government Economics*, Macmillan Press Ltd, London 1999, p. 288.

[4] D. Osborne, T. Gaebler, *Rządzić inaczej. Jak duch przedsiębiorczości przenika i przekształca administrację publiczną* [To rule in a different way. How the spirit of entrepreneurship penetrates and transforms public administration], Media Rodzina of Poznań. Poznań 2005, p. 133.

[5] *Ibidem*, p. 134.

1. The research objective and methods

The objective of the research discussed in the hereby paper is to present the level of diversification in the efficiency of public services.

As the research objective there were selected two categories of administrative services (communication and geodesy) and one category representing social services (education). The studies were performed in three neighbouring Lower-Silesian districts (Świdnica, Wałbrzych and Kamienna Góra) in the period of 2005–2007. Technical conditions for the selected services rendering in above mentioned districts are comparable, thus they have no significant influence on the services' efficiency.

From the above there results the main research hypothesis assuming that the degree of differentiation in the efficiency of administrative services is significant, notwithstanding their standardised final product and similar technical conditions.

Obviously, the controversial issue is the determination of the threshold related to this significance. Having assumed that the entities responsible for this category of services should take particular care in an efficient use of public resources, it should be indicated that even the difference of several per cent regarding the efficiency is of significant importance. However, for the purposes of the present study, the threshold of 10% was assumed as binding. It means that the differences within this limit are not distressing unless they can be explained by technical (different dwelling conditions), personnel (qualifications and experience of employees) or organisational (scale effect) conditions. The differences exceeding 10% may indicate an inefficient use of public resources and should become the basis for corrective measures.

Methods typical for fundamental studies and carried out directly in the units were used in the hereby research. This necessity resulted from the lack of appropriate statistical and budgetary data.

2. The description of research process and its results

Structural analysis regarding the performance of services in all Lower-Silesian district offices preceded the fundamental part of the research. It allowed to avoid an error consisting in the comparison of operating costs charac-

teristic for individual organisational divisions, since only 15% of organisational divisions under the same official name rendered an identical range of administrative services at regional level.[6] The identification of specific working positions and job descriptions assigned to them proved to be necessary in order to perform reliable comparisons. This identification was not limited to district offices only, since a lot of services can be rendered by external units. For example, administrative services in geodesy (administration of geodetic and cartographic resources, land records management etc.) can be performed by various organisational forms. From the department of geodesy, being the component of a district office, to a budgetary unit outside its structure. There are also possible intermediate forms following which a geodetic and cartographic centre exists as a budgetary unit, whereas the function of district geodesist and administrative decisions attributed to it are included in the structures of a given district office.

Similar situation can be observed in the administration of education. In several districts there was implemented the budgetary system for educational units that resulted in their financial independence and the school Headmaster controls the committed resources. On the opposite pole there is the situation where the administrative and financial service is centralised, either within the district office department of education or within a specially created budgetary unit (economic and administrative schools'complex).

The smallest differentiation refers to tasks related to communication. These are within the structures of due district offices in all Lower-Silesian districts. The differences consist in their assignment to various organisational units (departments, units or offices with posts performed by numerous personnel).

All the above mentioned organisational conditions were taken into consideration in the discussed research. Otherwise the comparison of organisational units' costs that, in fact, have different range of responsibilities, would distort the idea of performed analyses.[7]

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[6] M. Kachniarz, *Analiza strukturalna administracji powiatów dolnośląskich* [Structural analysis of Lower-Silesian districts administration], in: *Problemy ekonomii, polityki ekonomicznej i finansów publicznych* [The problems of economics, economic policy and public finance], ed. J. Sokołowski, UE in Wrocław, Wrocław–Jelenia Góra 2008, p. 83–88.

[7] M. Kachniarz, *Is Measuring the Efficiency of Local Authorities Grounded*, in: "Service Management" vol. 4, Szczecin 2008.

The diversified structure of rendered services conditioned also the individual cost analysis. Current budgetary classification does not take into account even the operating costs of individual organisational units. The more so, it is not capable of showing the operating costs of individual working places. The fundamental studies, assigning the expenditure value to the specific working places, were also necessary in this domain. It required an arduous procedure in order to calculate these costs, since the current legal and budgetary standards do not require such calculations from financial services representing the due local authorities units.

Having assumed that the standardised decisions (e.g. extracts of land records) or products (e.g. driving licence) are the result of administrative services under analysis, it is only costs that can become the subject of the study. In order to secure the cost comparability of rendered services, these were made relative in the form of unitary coefficients.

In case of communication and geodetic services these costs were reduced to the general form:

$$Kjedn. = \frac{Ld}{Kw},$$

where:

Kjedn. – unit cost of a given service,
Ld – number of issued decisions (documents),
Kw – operating cost of posts engaged in given tasks.

In case of educational services, their different specificity was taken into consideration and unit coefficients were based on the number of students attending the managed schools, but not on the number of performed actions. It should be pointed out here that the research takes into account the fact that the administrative service understood this way (excluding the financial and personnel service) refers not only to schools and facilities operated by a given district office, but also to non-public facilities. In such case the due relation assumes the following form:

$$Kjoś = \frac{Koś}{Lu},$$

where:

Kjoś – unit operating cost of education,

Koś – total operating cost of posts related to performing administrative services in education,

Lu – number of students in managed schools.

The detailed statement of analysed coefficients is presented in Table 1.

Table 1. The presentation of analyzed unit coefficients referring to costs of administrative services

Type of service	Unit coefficient	Comments
Communication	$Kpr. = \frac{Lpr}{Ks}$	Kpr – unit coefficient of a driving licence Lpr – number of issued driving licences Ks – cost of posts related to the issue of driving licences
	$Krp. = \frac{Lrp}{Ks}$	Krp – unit coefficient of a motor vehicle registration Lrp – number of registered motor vehicles Ks – cost of posts related to motor vehicles registration
Geodesy	$Kwr. = \frac{Lwr}{Ks}$	Kwr – unit coefficient or geodetic and cartographic drawings Lwr – number of drawings Ks – cost of posts related to geodetic and cartographic drawings
	$Kwp. = \frac{Lwp}{Ks}$	Kwp – unit coefficient of land records' extracts Lwp – number of land records' extracts Ks – cost of posts related to land records' extracts
Education	$Kjoś = \frac{Koś}{Lu}$	Kjoś – unit operating cost of education Koś – total cost of posts related to educational services Lu – number of students in managed schools

Source: author's compilation.

The results of performed research were systematised in first part according to the type of rendered services, in order to have them standardised later.

The analyses performed according to the above assumptions confirmed very high diversification regarding unit costs of performed services in the neighbouring district offices. These differences exceeded the initially assumed significance threshold of 10% in all conducted analyses and amounted to, as follows:

- in communication – 45%,
- in geodesy – 31,6%,
- in education – 24%.

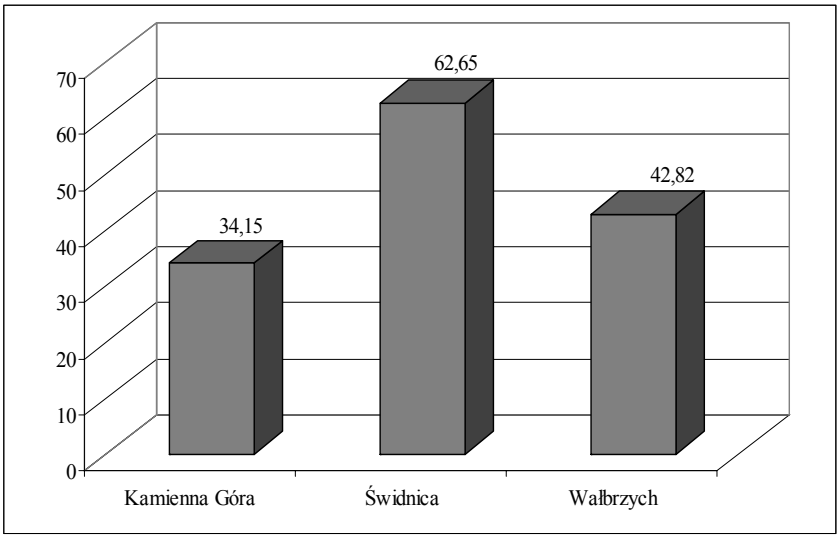

Fig. 1. Unit cost of motor vehicle registration in selected district offices (in zł/registered motor vehicle)
Source: author's compilation.

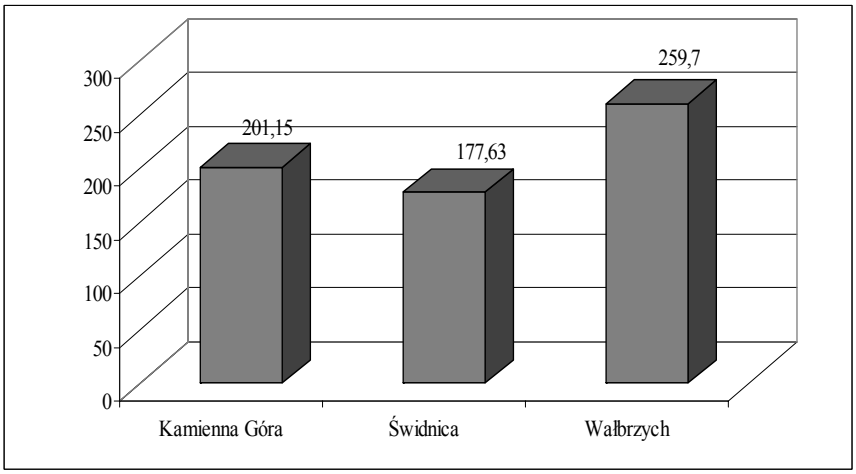

Fig. 2. Unit cost of land records' extracts and drawings in selected district offices (in zł/extract and drawing)
Source: author's compilation.

Such an extensive differentiation of unit costs at the similar standard of rendered services (dwelling conditions, time of waiting for a decision etc.) proves that there are considerable reserves in the efficiency of rendered services. In the presented results there can be noticed a peculiar paradox – the more standardised the service is and the more centralised its product occurs (e.g. centralised systems for the issue of driving licences and the registration of motor vehicles), the greater are the differences in unit costs of services. It appears, from the author's own, practical observations that the more the service becomes influenced by external (centralised) procedural regulations, the greater are the possibilities of organisational sections' heads to extort higher employment from the managers of units.

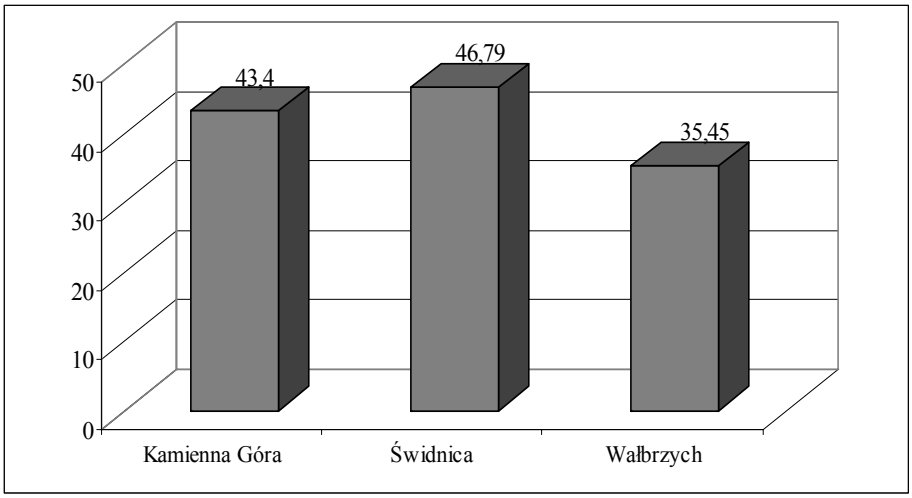

Fig. 3. Unit cost of educational administration in selected district offices (in zl/1 pupil)
Source: author's compilation.

The final phase of the study consisted in the formulation of synthetic efficiency measure regarding rendered administrative services in individual units. In order to perform it the standardisation of results was conducted. It consisted in the determination of distance from maximum value (with assigned value of 1) in each service type. The standardised value for each district office determined

this way is the sum of distances from maximum values. Thus, the smaller synthetic measure means the more efficient rendering of administrative services in a given district office.

It is noteworthy that the differentiation of synthetic measure is much smaller than the differences in unit measures (16% as compared to 45%). It proves that there occurs the effect of differences levelling between various spheres of rendering public services.

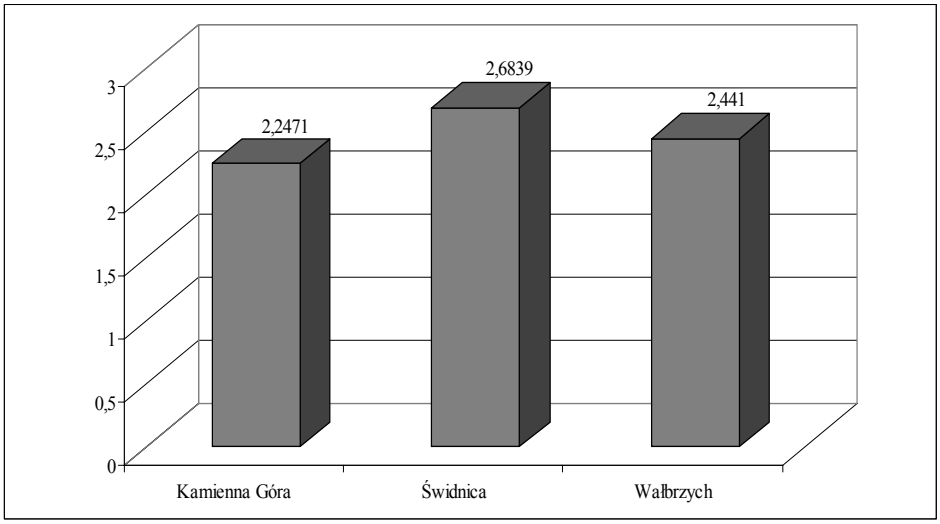

Fig. 4. Synthetic measure of administrative services efficiency in selected districts
Source: author's compilation.

On the other hand, this can prove an immaturity of management regarding these services – good results in one domain are diminished by poor results in another one.

From the conducted observations it appears that such situation is the result of 'games' played between the heads of units (district heads and district secretaries) and the heads of individual organisational structures (departments, sections etc.). Final results depend on the knowledge, determination, persuasion and even political position of individual game participants.

Therefore, it is difficult to resist an impression that the efficiency of administrative services (and in a broader sense, public services) does not represent any superior measure conditioning the method of their organisation.

Summary

The diversification of public services' efficiency exceeds considerably the initially assumed significance threshold. These differences are not justified by either technical (various dwelling conditions) or organisational (scale effect) conditions. The evaluation of such an extensive differentiation in unit costs can not be separated from the reflection on the adequacy of hitherto existing allocation of public resources.

Taking the above results into account, further studies on the efficiency of public services seem to be particularly adequate.

The research presented in the hereby paper indicates that it is necessary to establish an information system providing the basis for comparisons between the units, of which managers responsible for public services could take advantage of. Only such action is capable of creating elements of benchmarking and releasing the effect of rivalry and competition. The results discussed in the scope of this article emerged on the basis of fundamental research, but the method, considering the great amount of work, is not suitable for providing cross-sectional comparisons (e.g. at national level). The system of budgetary classification and reporting turns out to be the most suitable tool for such purposes. However, in its present form it is fully dedicated to the control of the due expenditure legal justification, rather than its plausibility. Even more difficult becomes the formulation of efficiency measures just on its basis. Considering the above results, which present high diversification of provided services, the requirement of budgetary classification modification seems to be justifiable. Such modification should allow for the formulation of unit coefficients regarding costs of rendered services at the level of each division and only this approach will establish the basis for benchmarking.

KOSZTY JEDNOSTKOWE USŁUG ADMINISTRACYJNYCH NA PRZYKŁADZIE POWIATÓW DOLNOŚLĄSKICH

Streszczenie

Celem badań jest ukazanie zróżnicowania kosztów jednostkowych usług administracyjnych w poszczególnych jednostkach administracyjnych. Za przedmiot badań autor wybrał usługi geodezyjne, komunikacyjne i oświatowe w kilku powiatach dolnośląskich. Wyniki wskazują, że różnice w kosztach świadczenia usług w badanych jednostkach administracyjnych wynoszą 45%. Badanie dotyczyło usług zestandaryzowanych pod względem efektów. Tak duże zróżnicowanie prowadzi do wniosku, że sfera ta powinna być przedmiotem zainteresowania zarówno badaczy jak i praktyków.

Chapter IX

INFORMATION MANAGEMENT

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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INFORMATION MANAGEMENT IN PUBLIC ADMINISTRATION

A new business environment has emerged in which information and knowledge are the primary factors determining the success or failure of new enterprises. Information systems have been used in businesses for a long time, but the Internet has opened the door to entirely new opportunities. All organizations, large and small, are now able to work on an international scale. The information available on Websites offers great advantages to all kinds of businesses. Knowledge can be quickly disseminated across great distances.

Economic progress and growth have always been the product of ingenuity and technological innovation. Economic development has also been based on the ability to access and interpret information. Information and knowledge create added value which increases efficiency in the economy.[1]

A man, from the first moment of his life, is socially entangled and surrounded by a world of information. The information storage of science, culture, and art, are the main ingredients of civilization's potential. Contemporary society, including government, science, education, culture, and the economy, cannot function efficiently without robust information.

The important role of electronic service in business administration and the rapid pace of technological development combine to make informatization a key

[1] Por. B. Gregor, M. Stawiszyński, *E-Commerce*, Wyd. Branta, Bydgoszcz–Łódź 2002, p. 24.

aspect for Poland's future. Methods and technologies for sending information dictate the future development of contemporary civilization. However, the primary concern is not about the scope or speed of transmission and dissemination; rather, it is the ability to use the information with sense.

In the new Web economy, there is an unprecedented scale of possibilities and opportunities for development. The global market is creating a new economic culture based on the decentralization of property and capital, where one's knowledge base is of the utmost importance. Integration and globalization allow the new economy and information society to grow together between countries around the world.

Thanks to the digital revolution, along with growing competition in Europe and the rest of the world, electronic administration services are taking on a much larger role in government and society. The informatization of public administration is a necessary part of membership in the European Union. One reason for this obligation is to stay involved in the developing information society. In addition, citizens are becoming more educated and conscious of their rights; they are more aware of governmental inefficiency and want better public service, including changes in the traditional bureaucratic structure. The public's interest in these matters is amplified by the constant growth of public expenses which they are obligated to financially support. Understandably, people want their money to be used as efficiently and effectively as possible. Different international organizations, like the European Union and World Bank, have demonstrated a trend towards changing their administrative organizations.[2]

In 2000, the European Union first launched the eEurope program, which is devoted to making public administration services and information available on the Internet.[3] Online access to public administration offices is bringing significant benefits, including the following: easier access to public offices; lower costs of public administration; and reduced corruption. For these reasons, it is necessary to provide teleinformation, infrastructure, software, and legislative solutions which will meet the demands of "The Development Strategy of the Information Society in Poland by 2013" and accomplish "The Plan for Informatizing the Country by 2007–2010." A well-developed public administration

[2] B. Kożuch, *Zarządzania publiczne*, Warsaw 2004. p. 16.

[3] The European Union recommended that citizens be able to fill out their tax returns, register businesses, apply for drivers licenses and IDs, make doctor appointments, and search for jobs online by 2005.

system should be able to integrate information systems of different administrations and connect with public administration offices of other countries in the Interchange of Data between Administrations (IDA) program.

Electronic services increase the speed and efficiency of information dissemination. In the long term, this provides an opportunity for vast improvements in the functionality of public administration. To achieve this, information and communication technologies are used to plan, organize, and monitor public administration duties (governmental and municipal).[4] The goal of eEurope is to provide European Union citizens with modern, online public services and create a dynamic environment for e-business. As a public service, The European Union lists e-government public administration online. E-administration must make the following actions available online:

- File tax returns,
- Calculate and pay insurance,
- Apply for a variety of documents (ID, passport, *etc*.),
- Vehicle registration,
- Obtain building permits,
- Report crimes,
- Access archives and public libraries,
- Apply for and obtain certificates,
- Apply to universities,
- Change address,
- Public health services,
- Social services,
- Business registration,
- Access GUS resources,
- Customs declarations,
- Apply for a concession and permission for business activities (e.g., selling alcohol).

E-government will provide access to administration services on-line. The definition of European Commission is seeing that e-government integrates functions to create cheaper and more efficient administration, improve management within countries, and reduce costs of administration.

[4] *E-government*, "Siemens Newsletter" 2004, nr 10.

By allowing public administration to utilize new technologies, E-government will provide citizens the service and information they require in easy and practical ways. In consequence, public service and administration should be provided 24 hours a day, seven days a week.[5]

Public administration thus far may be described in the following manner:[6]

- Written in difference documents, departments, and locations,
- Expressed in a complicated and unclear manner, especially for lay persons,
- Available online in physical offices and at specific times,
- Controlled in such a way so that written permission from a superior is required to make it public.

E-government solutions should be:[7]

- Easy to use,
- Accessible from any place, using a wide spectrum of tools,
- Safe and with guaranteed privacy,
- Programmed to achieve certain effects,
- Provide calculated financial benefits,
- Make cooperation possible between governmental and non-governmental institutions,
- Conducive to innovation and exploration with respect to the functionality of public institutions.

The primary benefit of having and using electronic (digital) data is the economy of having access to information quickly and without unnecessary restrictions. Another benefit is the ability to process the information consistently and accurately.

Automated systems eliminate monotonous labor, allowing clerks to focus on more essential work. Archiving possibilities allow tighter control of public administration functions.[8] E-merging of public administration will produce the following results:

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[5] P. Haltof, S. Kulągowski, T. Kulisiewicz, W. Kuśnierek, A. Sobczak, *Raport Administracja Publiczna w sieci 2002 – czy rzeczywiście bliżej obywatela?*, Internet Obywatelski, Warsaw 2002.

[6] M. Walecki, *Technologie informacyjne i komunikacyjne w walce z korupcją*, Analizy i Opinie 2006, nr 61, Instytut Spraw Publicznych, Warsaw 2006.

[7] S. Kulągowski, *Polskie gminy w Internecie*, II kongres e-gospodarki, Warsaw 2002.

[8] M. Walecki, *op.cit*.

- Lowered costs, saving taxpayers money,
- Increased clarity in administrative functions,
- Increased access to services for people and businesses,
- Increased spectrum of information available to taxpayers without requiring personal contact.

In the European Commission's research, benefits from e-Government were categorized as follows:[9]

- Improved quality of information,
- Reduced wait periods for information,
- Relieve administrative duties,
- Increased efficiency,
- Satisfy the public.

There is a growing tendency to use e-government in Poland, but it is developing slowly and the pace lags far behind that of other European countries. According to a binary research survey (where 0 means no service and 1 means electronic service), only 20 percent of all public service was online in Poland in 2006, and only ten percent in 2004. The average for 28 European countries[10] was 48 percent in 2006 and 40 percent in 2004.

The following are the four stages to developing online public services:

1. Information Level – The accessibility of online information required to start any process: 25–50 percent attainment of online service.
2. One-Way Service – Access to online forms from official Websites allowing users to print documents and initiate official processes: 50–75 percent attainment.
3. Two-Way Service – Allowing users to fill out official, authentic forms online: 75–100 percent attainment.
4. All operations are online, including all decision-making processes and the rendering of all services. No paper is required at any stage of any service: 100 percent attainment of online public service.

There is also the "Zero Stage," in which case there are no Websites available, or the existing sites lack important information about services: 0–25 percent attainment of online service.

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[9] http://egovernment.spoleczenstwoinformacyjne.pl/artykuly/26,198,korzysci-plynace-z-e-government.

[10] Researched were 25 European Union countries, Switzerland, Norway and Iceland.

Poland's level of online public service was 53 percent in 2006, up from 36 percent in 2004. The average level of attainment in the 28 investigated European countries was 75 percent in 2006 and 65 percent in 2004.[11] Poland's accessibility falls at the bottom of the European Union's rankings. This situation relates to the amount of money spent on IT and telecommunications, as shown in figure 1.

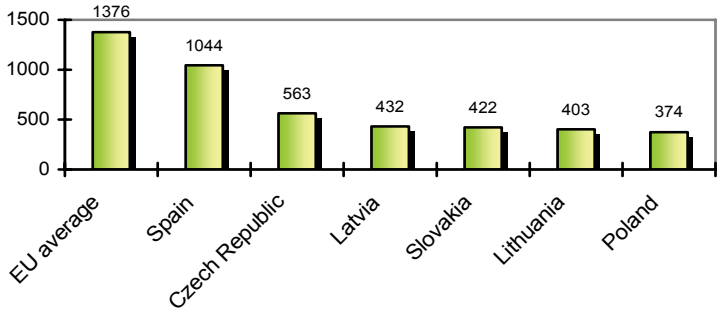

Fig. 1. Expenditures on IT in Poland and Other European Countries (euro per citizen)

Source: Z. Zwierzchowski, *Mają być sposoby na nadrobienie opóźnień*, "Rzeczpospolita" from 28.02.2007.

Compared to the other countries, Poland's IT expenditures are the smallest. Properly using European Union funds should rectify this situation. The most important projects were made by municipal institutions in 2006. They will not produce essential changes in central administration.[12]

As reports show, Poland is behind the rest of Europe. Table 1 presents the information by date. As Table 1 shows, online services for businesses have developed more dynamically than services for citizens.

[11] Capgemini: Developing eGovernment in Poland. 3rd edition of eEurope research, Warsaw 2004; Capgemini: Online Availability of Public Services: Ho is Europe Progressing. Web Based Survey on Electronic Public Services. Report of the 6th Measurement, June 2006, www.capgemini.com.

[12] Z. Zwierzchowski, *op.cit*.

Table 1. Online Public Administration Services in Poland

Service	Level of Service	
	2004	2006
Services For Citizens		
Birth, Marriage and Death Certificates	39	Less than 50
Public Libraries	34	Less than 50
Personal Documents	30	Less than 50
Income Taxes	49	50
Declarations to the Police	27	Less than 50
Job Searches	31	100
University Applications	52	Less than 50
Vehicle Registration	28	Less than 50
Social Services	25	Between 25 and 50
Health Services	11	Less than 25
Applications for Building Permits	25	Less than 50
Change Of Address	31	Less than 50
Services For Businesses		
Customs Declarations	43	100
Mandatory Social Insurance	75	100
Corporate Taxes	36	50
VAT	49	50
Submissions to Office of Statistics	70	100
Registering New Companies	24	50
Public Procurement	25	75
Environment-related Permits	25	Less than 25

Source: based on: Capgemini: eGovernment development in Polsce. 3rd edition of eEurope research, Warsaw 2004; Capgemini: Online Availability of Public Services: Ho is Europe Progressing. Web Based Survey on Electronic Public Services. Report of the 6 th Measurement, June 2006, www.capgemini.com.

Figure 2 (see the following page) shows the plans for the development of a information infrastructure for local governmental agencies.

The Ministry of Scientific Research and Information Technology, from September 2004, has shown that there are virtually no financial resources for informatization. In almost 75 percent of municipal offices, funds never rose above 1 percent of total expenditures. In 17.3 percent of the offices, no money was used towards informatization.[13]

[13] Por. *Stopień informatyzacji urzędów w Polsce. Raport generalny z badań ilościowych dla MNiI*, ARC Rynek i Opinia, Warsaw, September 2004.

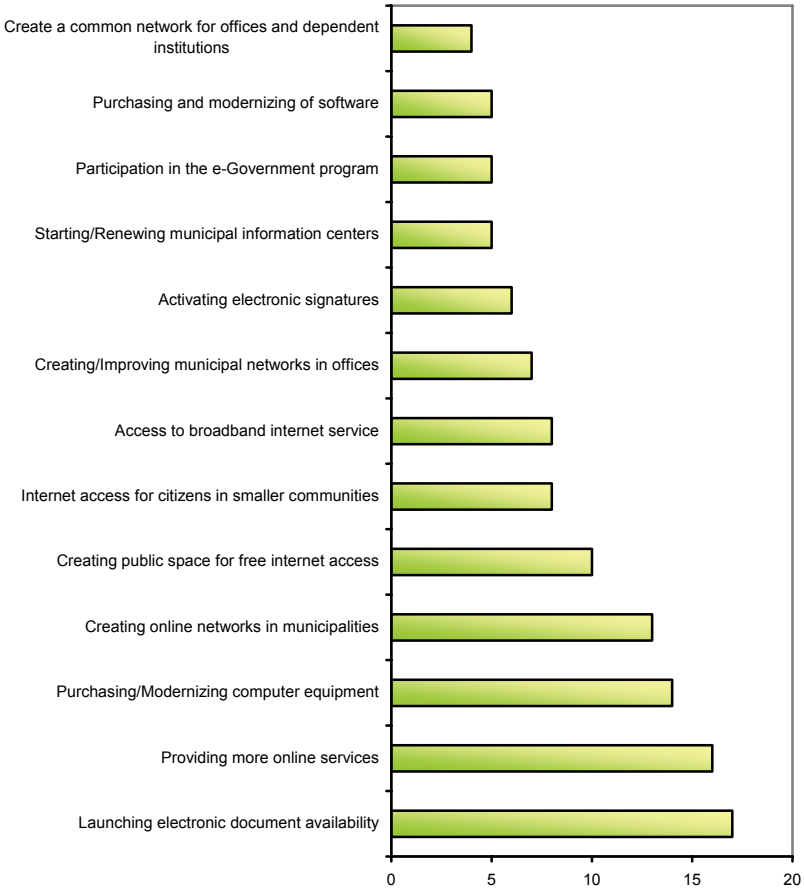

Fig. 2. Plans for Information Infrastructure in Municipalities
Source: *Badanie postaw przedstawicieli samorządu terytorialnego wobec Internetu*, Pentor, Warsaw, December 2004.

Poland is behind other European Union countries in popularizing online public administration services. More than half (56 percent) of Poles were interested in online contact with administrative institutions, and 14 percent of citizens utilize such possibilities (see Figure 3.)

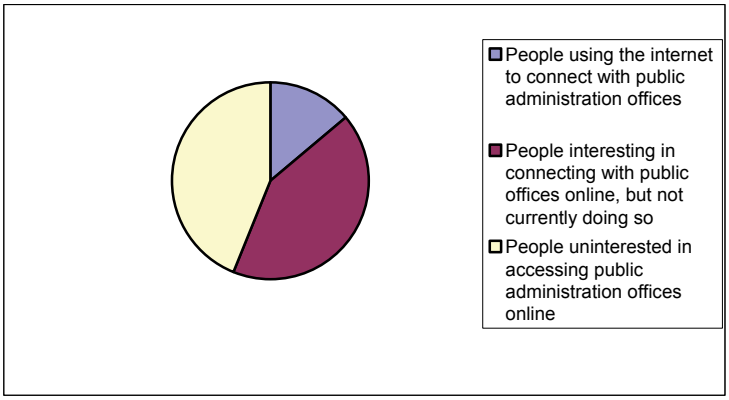

Fig. 3. Interest in public administration e-services among Polish citizens
Source: *Społeczeństwo informacyjne. Wykorzystanie technologii informacyjno-telekomunikacyjnych w 2006 roku*, GUS, Warsaw, May 2007.

In 2007, 20 percent of Poles declared they were willing to file their tax returns online. The situations with online car registration and changing official documents were similar. The most popular service would be the ability to make doctor appointments, a service which would be used by almost half the population (48.8 percent).

The creation of an information society is stimulating the growth of competition in the economy, the integration of Poland and European Union structures, the implementation of cohesive local policies, and the management of unemployment and other areas of social life. Even today, it is impossible to solve many social problems without the use of information technology.[14] However, it must be remembered that the technological revolution is not enough for social and economic progress. Strict cooperation among nations, as well as legal regulations, are required for the easy exchange of cargo and services. Above all, what is most essential is the commitment of public administrators to make the necessary changes.

[14] Por. A.M. Wilk, *II konferencja Okrągłego Stołu Polska w drodze do społeczeństwa informacyjnego*, "Przegląd Telekomunikacyjny" 2001, nr 8–9.

ZARZĄDZANIE INFORMACJĄ W ADMINISTRACJI PUBLICZNEJ

Streszczenie

W artykule zaprezentowano wagę informacji i zarządzania informacją w administracji publicznej oraz dane dotyczące korzystania z e-usług publicznych w Polsce.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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ICT FOR MANAGEMENT – THE INCREASING ROLE OF INFORMATION IN TODAY'S COMPANIES

Introduction

During the last decades you have seen a radical evolution of the competitive contexts, characterized by an increasing development of science and technology, an turbulence growth in the markets, higher degree of uncertainty about general scenario and globalization. These are just some of the main factors that affect constantly the characteristics of economic and social landscapes in which operate business actors, with significant impact on their critical success factors. Because of these reasons, strategic objectives tend to change over time with greater speed, and their achievement will thus become more difficult; putting itself in this light, any enterprise seeking for competitive success has to consider all these variable factors not as obstacles to avoid but as resources to be analysed and exploited.

Faced this new and pressing need, the production system must be able to give as output not only the goods or service made in the structure, but also a set of signals about the state of each operation and activity; obviouly it is up to the officers to be responsible for the interpretation of these signals and to use their content in order to make appropriate choices. Besides, who has to take decisions must be able to provide, early enough and reliably, the future trends of markets and to react in time to possible deviations from the same forecast,

finding solutions timely and correctly. All this remarks how the today's companies challenge is substantially represented by knowing how to seize and exploit to their advantage, the peculiarities of this new and more complex competitive environment and to realize it the same organizations, must handle the urgent need to get always newer management instruments. As we will see in this article, the ability to keep this goal is offered by the newest ICT[1] applied to the most important corporate governance areas which have clearly revolutionized the concept of the control management allowing to automate every relevant information process and get an entire enterprise running as one entity.

1. Transition from Data to Information: The Data processing

For the reasons just mentioned, the information controlling has become over the years a resource foundation for the organization growth because its connection with each decision process is absolutely strategical. But what exactly does the word information mean? It is very important to make a distinction between information and data concepts because these two words are often used interchangeably in everyday speech as meaning the same things, but for managers and information specialists these terms have distinct meanings:

- Data are facts, events, transactions an so on which have been recorded. They are the input raw material from which information is produced; frequently they are called raw or basic data and are often records of the day to day transactions of the organisations.
- Information is the data that have been processed in such a way as to be usefull to the recipient; anyway without an efficient means of filtering and aggregating data, a manager may risk being data rich but information poor. [2]

The manipulation of datas in order to product an information is named data processing; this is any computer process that elaborates raw data into information, and likewise information systems typically take raw data as input to produce information as output (see figure 1 below).

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[1] ICT is the acronym of "*Information and Communication Technology*".

[2] T. Lucey, *Management information System 9th edition*, Thomson Learning, London 2005, p. 15.

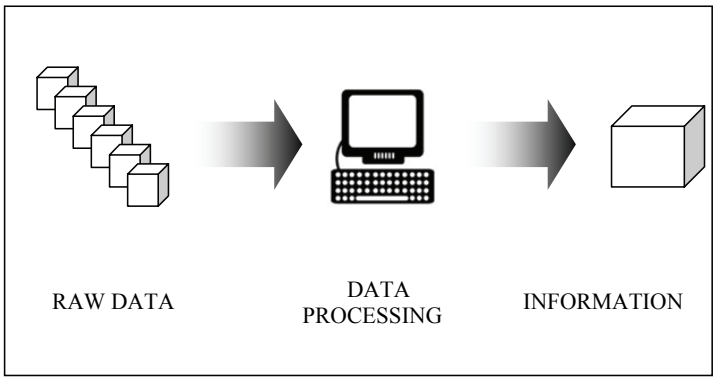

Fig. 1. The data processing
Source: own elaboration.

2. Potential benefits of the information controlling

Having made the distinction between data and information and understood the meaning of data processing, you must pointed out that the information in the absence of a decision, has no reason to exist because "has no value in itself; its value derives from the value of the change in decision behaviour, caused by the information being available minus the cost of producing the information".[3]

Today's companies managers are forced to handle situations and phenomena always more complex; therefore in this challenge, the information becomes very useful as it contributes and facilitates the understanding of past events and prediction of future events, leading to the assumption of correct decisions in line with the objectives pursued by the company. Afterwards it is clear on the control of information that you are playing the new business challenges and that is the same variable information which can determine the success or defeat of a company because it can "assists management decision process in several ways:

[3] K.C. Laudon, J.P. Laudon, *Information System and the Internet: A Problem-Solving Approach*, 4th edition, Hardcover 1998, p. 18.

- As a memory supplement: by having historical information about performance, transactions, result of past actions and decisions available for reference, personal memories are supplemented.[4]
- As a means of communication: the managers need to know developments, plans, forecasts, impending changes and so on.
- As an aid to monitoring and control: by providing information about performance and the extent of deviations from planned levels of performance, the management are better able to control the operation.
- reduction of uncertainty: according to this view, information can be considered as an entity that contributes to the reduction of uncertainty through the collection of elements (the data) and their subsequent processing.
- As an aid to simplification: by reducing uncertainty and enhancing understanding, problems and situations are simplified and become more manageable.[5]

Considering these potential benefits, it has become absolutely essential a development of controlling and management organization tools in order to capture and internalize all critical variables translating them into reliable, timely, and therefore crucial information ready to be used.

3. The purposes of the Management Information Systems

A fundamental problem for most organizations is that their memory is often fragmented across a wide variety of formats and different delivery systems (for example, production information is delivered by the production system, sales information is delivered by the sales system, and so on); so consequently there is a general lack of data integration that doesn't allow both an effective use of the data stored in the diverse organizational memories and the capabilities, to get easily and quickly the filtered information stream which is needed.

The ability to overcame these problems and to pursue new targets in controlling and monitoring of companies information, was given by the modern

[4] J.P. Friedman, *Dictionary of Business Terms*, 3rd edition, Barron's Educational Series, Inc. 2000.

[5] T. Lucey, *op.cit.*, p. 16–17.

information technologies applied in the field of corporate governance and commonly known under the name of Management Information System. A MIS[6] was defined in many different ways from economic literature but principally is "the discipline focused on the integration of computer systems with the aims of an organization".[7] It is commonly considered the most advanced method of delivering information from a file-based organizational memory directly to recipients by preplanned (or customized) reports to be used as tools for decision making; each one of these sophisticated system is tailor designed to generate and manage enormous streams of data in order to produce and make available information, in time and in appropriate instance to support properly management decisions.

Every Management information system consists in a set of interrelated IT components (hardware and software) that collect, retrieve, process, store and distribuite information just for the purpose of facilitating activities such as planning, control coordination, and analysis, in order to provide past, present and prediction information for the management. In other words, each MIS summarize and report, on the fundamental operations of the company; the system compresses the basic transaction data by summarization and presents the information in ad-hoc reports which are usually produced on a regularly scheduled basis and answer structured, routine questions.[8]

Focusing our attention on the software component of a MIS, it's possible to split them into three different professional application (see figure 2 below):

a) Database management system (DBMS) – System software used for the efficient creation and manipulation of database; its presence in a MIS is strictly necessary in order to access information from a database and consists in a collection of programs that enables to enter, organize, and select the data stored; besides it ensures data sharing, controls data redudancy and enforces data access authorization;
b) Database (DB) – Collection of data or information, organized for a rapid search and retrieval, especially by a computer and structured to facilitate storage, retrieval, modification, and deletion of data in conjunc-

[6] MIS it's the acronym of "*Management Information System*" – When *information systems* are designed to provide information needed for decision making process, they are considered MIS.

[7] http://www.bestpricecomputers.co.uk.

[8] K.C. Laudon, J.P. Laudon, *op.cit.*, p. 608.

tion with various data-processing operations. Each database consists of a file or set of files that can be broken down into records, each of which consists of one or more fields (the basic units of data storage);[9]

c) Reporting system – Tool designed to retrieve the database information primarily through query; by these software, and simply using keywords and sorting commands, users can rapidly search, rearrange, group, and select the field in many records to manipulate or create reports on particular aggregates of data, according to the rules of the database management system being used.

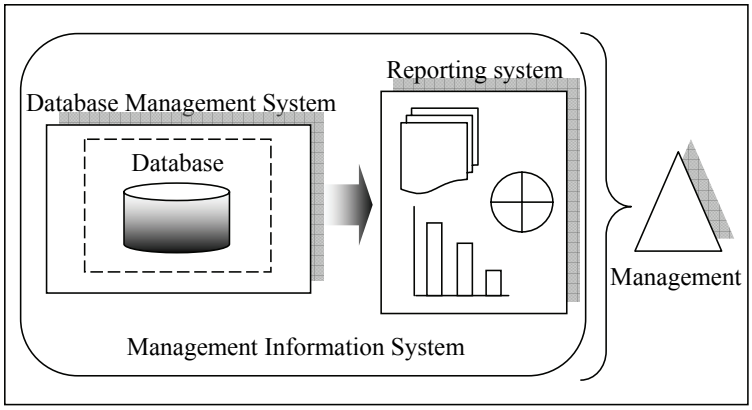

Fig. 2. The Management Information System components
Source: own elaboration.

4. A case study: ICT at the service of a Polish firm

After analysing the main caracteristics of the Management Information Systems and their potential advantages, it appears interesting to show briefly the winning experience of a Polish firm which choosed to lead its business using within its organization some ITC for management.

[9] J.P. Friedman, *op.cit.*

Sonion Polska Sp.z o.o. was the production division of a Danish multinational world leader in the production of microcomponents for industry of acoustic equipment; its management decided to entrust own productive organization to a sophisticated management information system that allowed to make the technological leap necessary to achieve the highest government information in all its business areas. This business intelligence solution was composed mainly of two followings software applications:

Microsoft Axapta Database.

It's one of the most sophisticated examples of ERP[10] database software, covering all aspects of a business (from planning to implementation of the product, from management control to the sale) and specialized in their integration. As for the experience of Sonion Polska Sp.z o.o., the introduction of this platform software was built by the need to achieve a strong integration of all department activities, and the corresponding amount of data they develope, to give a new dimension to the exchange of information by their absolute integration.

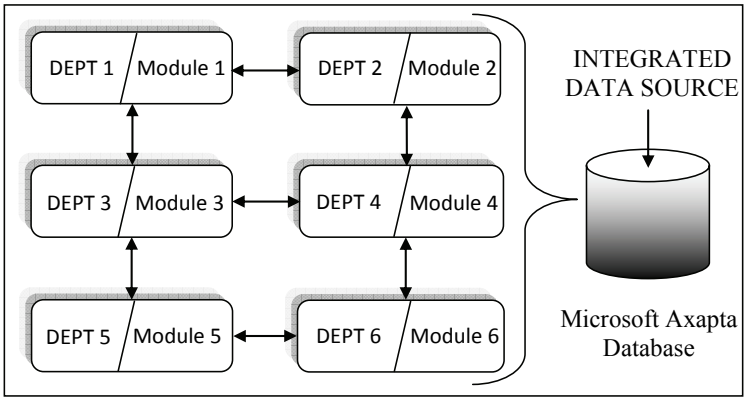

Fig. 3. The Microsoft Axapta modules structure

Source: own elaboration.

[10] ERP is acronym of *"Enterprice Resource Planning"*.

Microsoft Axapta has an user-friendly interface and its structure consists of a wide range of components (named modules), properly selected and assembled with the aim of achieving a broad-spectrum control of the company and to hold each of the information requirements deemed necessary (see figure 3); the data from these modules (stored in the Axapta database) act as a pivot of the central information system and are processed and analyzed by the responsible personnel.

The module choice attempts to integrate all the departments in the company, and the various business functions across them, into a single computer system, that helps to serve all the different departments needs by an absolute data integration.

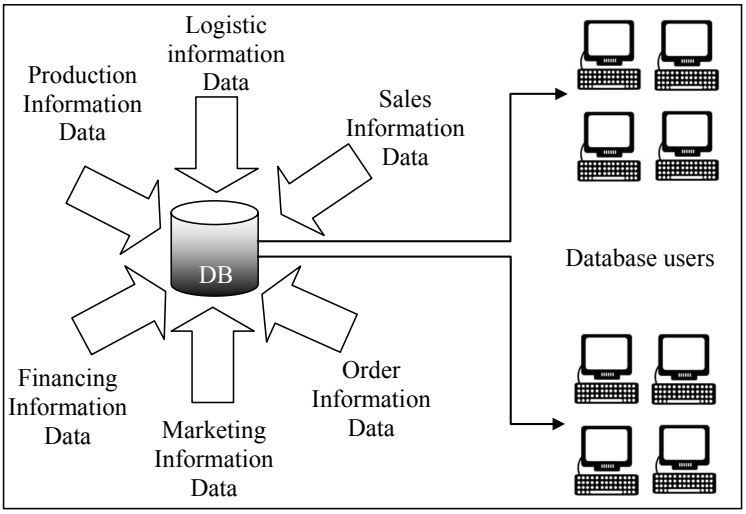

Fig. 4. The Microsoft Axapta working scheme

Source: own elaboration.

The modularity is both the basic peculiarity and the success key of this advanced management software because it allows to cover all business areas

(see figure number 4 below) and affect and manage significantly any internal valuable process.

Oracle Discoverer.

It's a business intelligence tool-set designed to support organizational decisions by ad-hoc querying, reporting and data analysis; it represents a powerful management -instrument fully compatible with Microsoft Axapta and. This software was choosed by Sonion Polska Sp.z o.o. to allow its controllers team to make specific queries for informations to the data stored inside its database and get reliable and quick answers through the implementation of custom reports for each specific need (see figure 5 below).

It uses a repository called EUL (End User Layer) which is based on the information, stored inside of the datawarehouse; the main EUL role is to hide details and complexity of the datastreams, organizing data to reflect the company specific business areas and making all data queries faster and easier. Therefore, when you select an item or their combination for a query (such as: How many customers buy more than X of product Y from us in a year?), then all items that don't have relationship with the selection will be automatically disabled from the research because every relationship and dependencies are mapped through EUL; this process, filters the result to be shown to the recipient by a report (see figure 6 below). All Oracle Discoverer queries can be viewed in a tabular or matrix formats, allowing the definition of data fields (items) at the header of a report; there are many report format functions and it is possible to costumize the reports layouts and column positions, order and group the data dynamically. Additionally you can export the reports for Html files, Microsof Excel and other file formats. Besides Oracle Discoverer can be executed by a local desktop software installation) or using a browser via web.[11]

[11] http://ezinearticles.com.

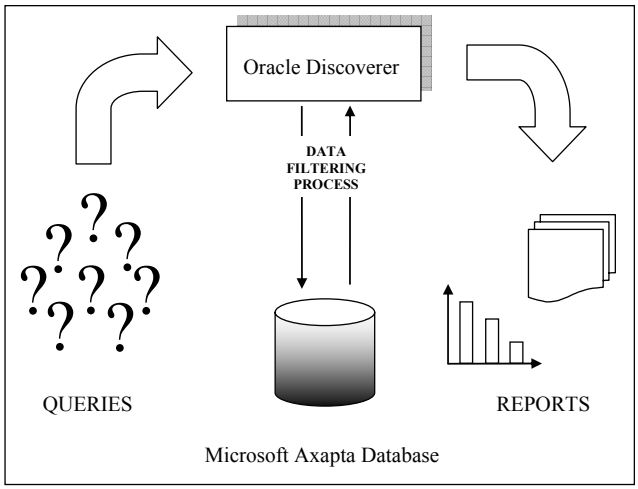

Fig. 5. Querying Oracle Discoverer

Source: own elaboration.

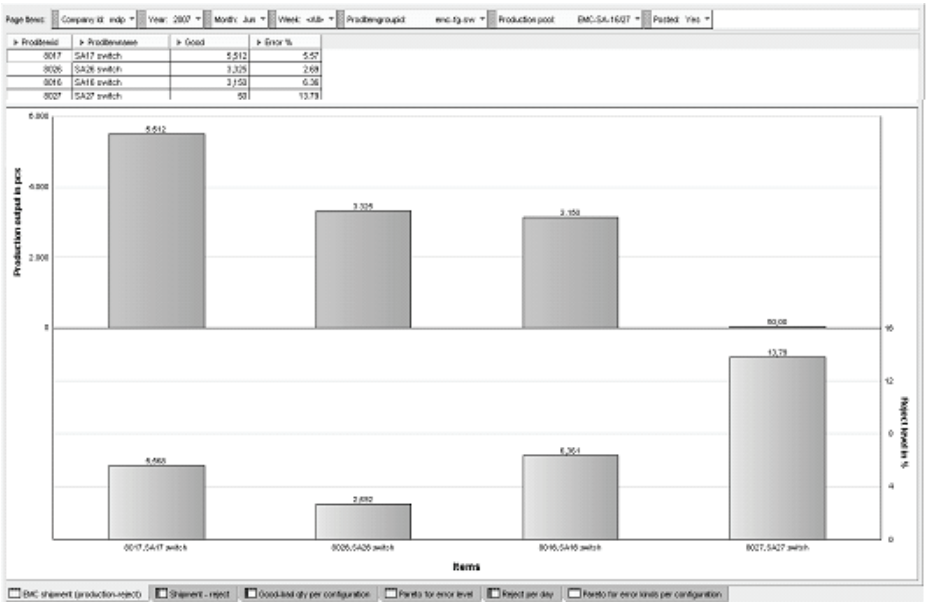

Fig. 6. Example of Discoverer graphic

Source: www.oracle.com.

Conclusions

Concluding, to be successful in this turbulent global environment, any organization must be able to manage and control the information in order to constantly monitor itself and to get a rapid and reliable feedback of its performance; for example Marketing manager needs information about sales performance; Financial manger needs information about returns; Production manager needs information analyzing resources requirement and worker productivity; Human Resources manager requires information concerning employee compensation and professional development.

According to this view, the information became one of the most valuable resource for today's companies because leads to decisions based on elements of certainty and objectivity (all choices become the more rational as the greater the weight of information is available); the possibility of obtaining results without valid information is based on causality.

Facing this new competitive challenge, can be decisive the presence of an MIS tailor designed within its own organization, to provide their managers with the knowledge required to support their decision process making. In fact a Management information system, thanks its skills, is able to:

- assemble, process, store, retrieve, evaluate and share the information;
- serve as a link between managerial planning and controlling (it develops the ability of management to evaluate and improve performance);
- make easier the integration of specialized activities by keeping each department aware of the problem and requirements of other departments; it connects all decision centers in the organization;
- increase the quality of plants by providing relevant information for decision.[12]

[12] http://www.management-hub.com/information-management-advantages.html.

ICT W ZARZĄDZANIU – ROSNĄCA ROLA INFORMACJI WE WSPÓŁCZESNYCH PRZEDSIĘBIORSTWACH

Streszczenie

Obecnie procesy decyzyjne menedżerów coraz bardziej zależą od ilości i jakości informacji, które dotyczą najważniejszych procesów, zachodzących w firmach. W artykule przedstawiono najnowsze technologie informatyczne jako narzędzia do osiągnięcia sukcesu w dzisiejszych przedsiębiorstwach. Te technologie nazywane są „Management Information System" i pozwalają na kontrolę wszystkich aspektów strategicznych biznesu oraz osiągnięcie i utrzymanie wysokiej rangi na światowym rynku.

Chapter X

KNOWLEDGE MANAGEMENT

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

LESZEK BURSIAK
Zachodniopomorska Szkoła Biznesu of Szczecin

THE TRANSFER OF KNOWLEDGE FOR BUSINESS SURVIVAL

The assertion that "[i]n a changing world the only constant is change"[1] as well as the statement that "in uncertain world only uncertainty is certain"[2] have both become a truism. But it is a fundamental truth that a modern business organisation (firm)[3] faces many formidable obstacles nowadays, caused by substantial changes of its turbulent environment.[4] These findings have farreaching consequences for most of businesses, with the effects of change remaining uncertain. When everything around is changing, the only two constants are change and uncertainty themselves. However, in spite of these adverse circumstances, the every single business organisation (firm) exposed to severe environmental changes has to cope with emerging difficulties daily in order to survive and being aware of risk creates better conditions for uncertain future.[5] Changes exist as an objective, but permanent process, it means that they are not only occa-

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[1] C.A. Carnall, *Managing Change in Organizations,* Prentice Hall, New York 1990, p. 1.

[2] A. Zelek, *Zarządzanie w warunkach niepewności* [The management conditioned of the uncertainty, Unpublished seminar papers], Uniwersytet Szczeciński, Szczecin 2005, p. 1.

[3] Also called company, enterprise, business or entity.

[4] L. Clarke, *The Essence of Change*, Prentice Hall. New York 1994, p. 6f.

[5] C.A. Carnall, *op.cit*., p. 27, 118–121; A. Zelek, *op.cit*., p. 1.

sional but also constant. In these circumstances firms have to cope with "the demands for continued change"[6] for survival and success.[7]

The paper deals with problems which modern companies (firms) meet when they are straggling to make their business a success in turbulent environment. Descriptions of the problems based on the review of adequate literature are followed by findings get through some research into troubles met by ANR Company. Operating on very difficult American real estate market, the researched firm (ANR Company) faces in practice nearly all discussed problems created by its tough business surroundings. The findings come from quantitative and qualitative analysis of organizational behavior of the researched firm.

Future oriented companies ought to be aware that nowadays "changes are continually occurring in the market".[8] Taking this inescapable fact into account they should be able to react to changes promptly and adequately. Before any action will be launched, appropriate research should be undertaken to find efficacious remedy for all unique problems, which have to be solved as fast as possible.[9] This kind of reaction is one and only solution because "change is dominant factor today"[10] in business reality. The reality does not want to wait for companies that could not deal with their organisational problems.[11] The scope of business context is wide and highly complex with many complicated interrelationships.[12] Its configuration is changing continuously under the continuous pressure of change. Accelerating changes have an immediate influence on the businesses, so they operate in very tough conditions under increasing pressure of the changes and competition. These kinds of changes pose a serious threat for

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[6] J. Bray, K. Brooke, G. Litwin, *Mobilizing the Organization, Bringing Strategy to Life*, Prentice Hall, New York 1996, p. 277.

[7] It means that the firms (companies) have to adapt to change of its environment by internal change (as the answer for the demands).

[8] T. Cannon, *Basic Marketing, Principles and Practice*, 3rd edition, Cassell, London 1992, p. 291.

[9] J.H. Want, *Managing Radical Change*, John Wiley & Sons, New York 1995, p. 23f.

[10] R.C. Appleby, *Modern Business Administration*, 5th edition., Pitman, London 1992, p. 333.

[11] Ultimately this is a question as to the proper limits of time, see also P.F. Drucker, *Zarządzanie w czasach burzliwych* [Managing in the turbulent times], Nowoczesność – Akademia Ekonomiczna w Krakowie – Czytelnik, Warszawa 1995, p. 9ff.

[12] Sea also M. Gareth, *Images of organization*, 2nd edition, Sage Publications, Thousand Oaks 1997, p. 39–50.

the future.[13] All threaten companies (businesses) have to adapt themselves to their altered environment; they also have to take action that prepares companies to cope with future occurrences of the context and increasing steadily the market competition.[14] The results of the research work have shown that for the researched firm (ANR Company) this kind of adaptation is not a separate phenomenon but never ending process.

Modern business organisation does not know what stability is because in contemporary business environment it becomes an illusion.[15] All business entities (firms) run their activities in equally difficult circumstances created by omnipresent change. Unpredictable, inevitable and unavoidable, unrelenting change becomes a crucial factor that decides about the future of particular business activity.[16] In these circumstances the only solution is adequate respond including well considerate counteract. This aspect has been described widely in, Champy – Hammer.[17] Surveys conducted in the researched firm (ANR Company) reported similar findings. What is specific, people working for the firm are fully aware of the need for adequate counteractions and, as the research results have shown, it can be a result of training where they acquire knowledge about changes and learn during their general meetings and workshops how to cope with them in real business situations. It is a regular occurrence in the investigated firm, which predominantly operate in a complex and permanently changing environment.

The researched firm (ANR Company) decided all environmental changes inducing potential troubles kept under constant observation because of their

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[13] D. Needle, *Business in Context, An Introduction to Business and its Environment*, 2nd edition, Chapman & Hall, London 1995, p. 384–388; M. Goodman, *Creative management*, Prentice Hall, London 1995, p. 53; see also R. Bennett, *Small Business Survival*, Pitman, London 1991, p. 20.

[14] D. Clutterbubuck, T. Mcburnie, *The Marketing Edge*, Penguin Books, London 1988, p. 140f., G.A. Cole, *Strategic Management, Theory and Practice*, DP Publications, London 1994, p. 133–137; see also L.L. Mullins, *Management and Organisational Behaviour*, 2nd edition, Pitman, London 1991, p. 71; cf. M. Romanowska, *Zarządzanie strategiczne firmą* [The strategic management of the company], PWE, Warszawa 1995, p. 10–12.

[15] It suggests permanent lack of stability in changing environment.

[16] L. Bursiak, *Rozkład stref sprawności i niesprawności organizacyjnej przedsiębiorstw funkcjonujących w odmiennych warunkach otoczenia* [The distribution of efficiency and inefficiency zones of companies operating in different context], "Przegląd Organizacji" 12/1997, p. 29–32.

[17] J. Champy, M. Hammer, *Reengineering w przedsiębiorstwie.* [Reengineering the company], Neumann Management Institute, Warszawa 1996, p. 15ff.

importance for the future of the firm. The observation of the environment helps to recognise and diagnose the changes as well as mobilise adaptive undertakings. In the face of radical changes, which have appeared in the environment, business entity ought to be making internal changes by streamlining operations. The contraction should be fast, proper and decisive. However the firm must be aware that this is arduous and difficult process, as befits something which is of such vital importance to the business. Unfortunately, it is impossible to respond adequately to changes without immediate access to specialised knowledge, which is needed in contact with radical environmental alterations. In the face of the changes and urgent demand for new knowledge the staff of given company ought to be treated as a vital factor for future activity. Properly train and motivated marketing representatives of the researched firm (ANR Company) are able to provide feedback. Without feedback on outcomes innovation is often stillborn.

Nowadays human resources (employees) became a trigger factor in knowledge driven economy. At the beginning, in the middle, as well as at the end of the adaptive process, it is people who decide about practical ways in which the organisational problems of coping with changes can be handled. The human factor plays a crucial role when a specific business organisation stands up to change. Nowadays, adequately or wrongly skilled staff as the most important resource of the company and knowledge, decides about business effectiveness and their ability to survive.[18] In difficult circumstances the business "can be saved if only the people in charge devise and implement a handful of straightforward strategies for turning around their firms".[19] When properly prepared and equipped, all people of the company are able to cope with changes and uncertainty created by the environment. In everyday business practice of the researched firm (ANR Company), the management of the firm proves that is fully aware of the vale of human resources. All general meetings and workshops organized twice a week by the firm are fully devoted to the staff.

With an ongoing process of radical changes of the business context (environment), organisations are increasingly confronted with permanent shortage of knowledge about unpredictable events. The following procedure

[18] L. Hall, D. Torrington, *Personnel Management, A New Approach*, 2nd edition, Prentice Hall, New York 1991, p. 19f.

[19] R. Bennett, *op.cit.*, preface VII.

allows for a better-organised and more efficient exploration of conceptual capabilities. First of all, serious research is needed into the nature of radical reformulation of the context. Secondly, by thorough internal examination, the company formulates a report on the state of the organisational knowledge and all needed remedies. Finally, the report is revised and the knowledge becomes ready to transfer to the staff. Because of the character of the radical changes taking place in today's organisation environment, knowledge transfer is essential to the success of every entity.[20] During the research work curried out in the investigated firm (ANR Company) it has been discovered that the procedure (described above) was followed by the firm in the process of identification new specific knowledge needed for transfer to the staff (see figure 1).

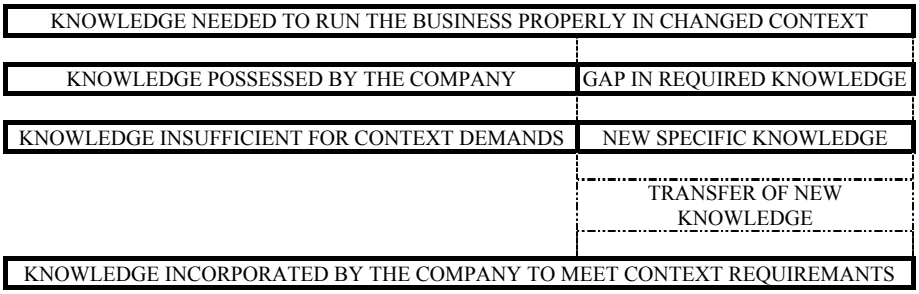

Fig. 1. Model of correlation between different recognised kinds of knowledge and filled in the gap with transferred new knowledge.
Source: own elaboration based on the research work.

Within the modern, knowledge driven economy, knowledge transfer becomes more and more important and decides how employees perform, interact and achieve organisational goals. The newest knowledge is essential to stimulate and enhance relevant training. In these circumstances the business community is trying to take all possible advantages of business training and transfer of knowledge needed for survival in a very turbulent environment. The versatile knowledge about changes is crucial because this knowledge, supported by

[20] D. Buchanan, A. Huczynski, *Organizational Behaviour, An Introductory Text*, Prentice Hall, New York 1991, p. 536–545.

skills, can neutralise increased uncertainty and facilitate the process of adaptation to the environment.[21]

The scope of knowledge needed to rescue the situation in the research firm (ANR Company) is shown schematically (as a model) in figure 1. The knowledge has to be transferred to fill in the gap created by the lack of proper and necessary knowledge. The delivery of the knowledge to suitable employees must be efficiently delivered if the company wants to equal to requirements of the environment. It means that the knowledge is not only recognised but also transferred directly to the right audience. The answer to the question about the target audience to whom the new knowledge ought to be transferred is the employees, who as human beings have the ability to acquire the knowledge.[22]

Figure 1 presents the process of transfer of the knowledge, organised in a top-down way from the highest level of the management to the employees of the researched firm (ANR Company). Firstly, the knowledge needed to run the business properly in a changed environment is discovered. Secondly, the gap formed by the lack of required knowledge is identified as well as the knowledge which has already been possessed by the company. Unfortunately, the possessed knowledge is insufficient for the recognised context (environment) demands. The new knowledge, which meets these demands, is transferred and incorporated.

When the new knowledge is properly prepared, the process of its transfer should be activated and completed in due course. The transfer of knowledge needs an exchange of thoughts and ideas from one person to another, which takes communication via language.[23] The employees have to deal with changes to accomplish companies' goals, and they, as the human beings act by language as a tool for communication. Because, in essence, language and speech acts is the subject matter of linguistics this particular field of study ought to be

[21] J. Bray, K. Brooke, G. Litwin, *op.cit*., p. 185–196.

[22] See also Cz.S. Nosal, *Psychologiczne modele umysłu* [Psychological models of mind], PWN, Warszawa 1990, p 124ff.

[23] J. Dewey, *Jak myślimy?* [How we think?], PWN, Warszawa 1988, p. 210; W. Patryas, *Uznawanie zdań* [The acceptance of sentences], PWN, Warszawa 1987, p. 24ff.), see more about communication in organizations M.J. Szaban, *Zachowania organizacyjne, Aspekt międzynarodowy* [Organizational behaviour, International aspect], Wydawnictwo Adam Marszałek, Toruń 2007, s. p. 417–431; A. Potocki, R. Winkler, A. Żbikowska, *Techniki komunikacji w organizacjach gospodarczych* [Techniques of communication in the business organisations], Difin, Warszawa 2003, p. 21ff.

employed to support the transfer of the new knowledge which is needed for transfer.[24] In the researched firm (ANR Company) language aspects of the business were carefully studied because of its importance for the final results of the firm, particularly those connected with the process of pejoration (degradation) of the meaning of useful business expressions in which they lost their positive connotations in a given context and acquired negative ones.

The new knowledge ought to be adjusted accurately for an organisation's needs prior to transfer, which also requires appropriate preparation taking into account such linguistic phenomena as communication, language and speech acts. Figure 2 presents the model of the transfer of new knowledge. The model of the transfer of new knowledge presented in the figure shows in an oversimplified[25] way how the adequate amount of knowledge is transferred according to linguistic concepts of communication, language and speech acts. At the beginning, the knowledge is divided into two parts, only one of which (the bigger one) is a matter of linguistics. They are not equal in size; the smaller one is beyond the linguistic communication and will not be a subject of further discussion within the limits of the present work. Only a part of communication takes place via language and also only a part of the language is of interest to the speech act, which is clearly shown in figure 2.

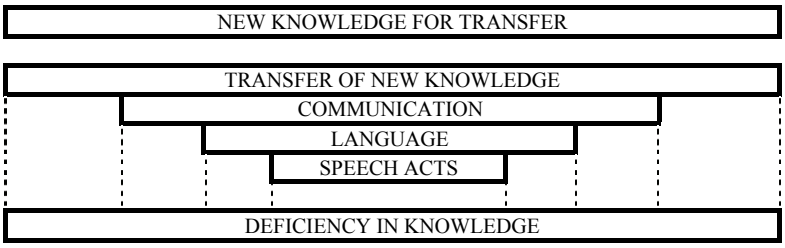

Fig. 2. Model of the transfer of new knowledge via language and speech acts in the researched firm (ANR Company) focuses on deficiencies in required knowledge
Source: own elaboration based on the research work.

[24] See also Harris Thomas E. 2002. *Applied Organizational Communication, Principles and Pragmatics for Future Practice*, 2nd edition, Lawrence Erlbaum Associates, Mahwah, New Jersey 2002, p.15ff.

[25] Oversimplified but instructive enough to point out the main relations.

The transfer of knowledge is called communication. The transfer of new knowledge can occur through communication with language as a standardised means of communication, and speech acts as elementary units of human communication. The processes of human communication are employed during the transfer of business knowledge. Language is defined as a system of symbolic conventional signs, which in communication become signals. Among the signals verbal and non-verbal forms can be distinguished. As a result, two aspects of language behaviour appear verbal and non-verbal languages.[26] The process of business communication involves many interacting factors, e.g. message, contact, context and code. However, human activity plays a decisive role in the whole process of business communication. In the same way the use of new knowledge become a remedy for recent and future business problems. During the research work an effort has been made to find out what kind of organisational knowledge is the most important for the investigated company (ANR). It has been proved to be the knowledge about effective verbal communicative behaviours which support sale. For the ANR Company language plays a crucial role because it decides if a communicative act initiated with a certain business purpose will be successful or not.

The researched company derives its indispensable organisational new knowledge from outside of the company as well as from within the company. Without this specific new knowledge the company could lose its market share in not too distant future which can cause serious problems. Operating on difficult market, ANR Company faces fierce competition. It is not enough to keep pace with its competitors (i.e. every single company fighting for survival on the market), but also to stay ahead of them. The company can possibly reach its organisational goals by acquiring and implementing the new knowledge. But if the company failed, it could easily disappear from the market.

[26] M. Odeski, *Verbal and Non-verbal Means of Communications in Multimedia Advertisement and their Influence on the Potential Laudience*, in: *Problemy lingwistyki i nauczania języków obcych* [Problem sof linguistics and teachings of foreign languages], ed. K. Bogacki, H. Komorowska, H. Miatliuk, Wydawnictwo Uniwersytetu w Białymstoku, Białystok 2003, p. 313f.

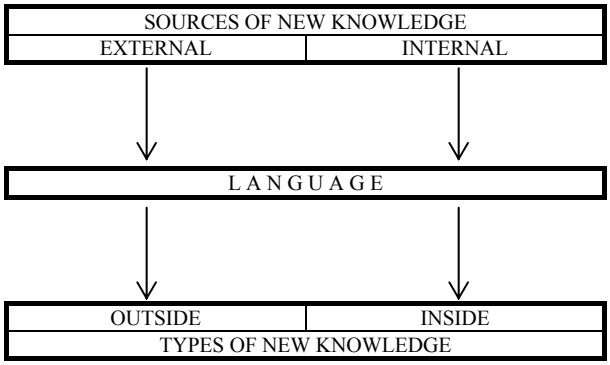

Fig. 3. Model of interrelations between sources of knowledge and types of knowledge acquired via language in researched ANR Company
Source: own elaboration based on the research work.

At the highest level of the model presented in figure 3 there are shown the sources of outside and inside types of knowledge specified as external and internal at the lower level. The transfer of both types of new knowledge requires language as the means of human communication. The adequate use of language decides if the process of knowledge acquisition is successful or not. At each stage of the process of communication the language must be adapted for business needs and goals. On the basis of a thorough analysis of figure 3 as well as what has been mentioned above, there is only one logical conclusion to be drawn. The use of language is a very crucial factor deciding about the success or failure of the researched firm (ANR Company). Any serious disrespectful approach to environmental changes (seen as the market disablement) could cause serious trouble for the firm but they avoided situations lake that and took in advance adequate necessary steps. Firstly, the researched company provided long-term observation of changes and realized that its environment was seriously changed. Secondly, the business language was recognized by the researched firm as a crucial factor for the business. Thirdly, it was noticed that all environmental changes were combined with degradation of the meaning of business expressions used in contacts with customers by marketing representatives. Fourthly, when the company received the new knowledge about the phenomenon the knowledge was instantly transferred to the staff. ANR's

consistent action following the four steps procedure became a primary cause of survival and business success in turbulent environment.

TRASFER WIEDZY DLA PRZETRWANIA W BIZNESIE

Streszczenie

Radykalnie zmieniające się otoczenie współczesnych przedsiębiorstw charakteryzuje się rozległością i kompleksowością zachodzących w nim zmian, pomiędzy którymi ponadto występują złożone powiązania. Nieustannie zmieniające się konfiguracje zmian w otoczeniu wywierają stałą presję na funkcjonujące w nim przedsiębiorstwa. Zmiana staje się obiektywnie istniejącym permanentnym zjawiskiem, tracącym swój okazjonalny charakter i przechodzącym w stały element rzeczywistości gospodarczej. Wskazane okoliczności wywołują zapotrzebowanie przedsiębiorstw na zmiany dostosowawcze. Przyspieszenie zmian otoczenia ma bezpośredni wpływ na prowadzoną działalność gospodarczą, zmuszając przedsiębiorstwa do działania pod nieustanną presją narastających przekonfigurowań otoczenia i nasilającej się konkurencji. Efektem stałych obaw o przyszłość wobec trudnych do przewidzenia zmian jest zapotrzebowanie na wiedzę o przedmiotowych zjawiskach i jej efektywne wykorzystanie. Niniejszy artykuł koncentruje się na sposobie ujawnianie luk w tej wiedzy, jej pozyskiwaniu w wymaganym zakresie oraz transferze jako istotnych warunkach przetrwania przedsiębiorstw prowadzących działalność w turbulentnym otoczeniu.

Chapter XI

TOURISM MANAGEMENT

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

WIESŁAWA KUŹNIAR
University of Rzeszów

SERVICES IN AGROTOURISM AS A CHANCE TO ACTIVATE RURAL AREAS IN THE PODKARPACKIE PROVINCE

Introduction

The region's attractive natural and scenic qualities and rich cultural heritage have made tourism a priority in the *Development Strategy of the Podkarpackie Province*. It is connected with an opportunity for socio-economic stimulation and reduction of unemployment both by creating essential work places and seeking additional sources of income.

The problem especially relates to rural areas of the Podkarpackie province, dominated by farming and characterized by significant unemployment rates.

The stimulation of services in agrotourism of the Podkarpackie province in recent years should be treated as a positive effect of putting Polish economy on the market basis that forced some village inhabitants to start business activity, as well as an effect of increased interest in that form of recreation among city inhabitants. Agrotourism is most often perceived as a factor of socio-economic activation of rural regions and a form of multifunctional development of villages. There is plenty of advantages to running a business in agrotourism. They not only refer to owners of agrotouristic households directly involved in this

type of activity but also to other entities, carrying out agrotouristic projects, i.e. the whole local community and the local, administrative and state authorities.

Although most rural communes of the Podkarpackie province are destined for tourist functions due to the region's natural and cultural qualities, they do not always correlate with proper development of these services. Thus the question why some of the communes predisposed to tourist development do not feature any enterprises in rural tourism or why their development is only in the introductory stage.

This study presents the level of services developed in the Podkarpackie province, with special consideration of the characteristics of agrotouristic offers, in the light of theoretical reflections on the role of agrotourism in activation of rural regions. The empirical part of this study presents the results of a survey conducted in 2007 among 32 agrotouristic household owners by the direct interview method. The spatial scope of the study covered 20 communes where, despite their great natural and cultural advantages, the development of services in agrotourism has only started.

1. Agrotourism as an instrument of socio-economic development in rural areas

Socio-economic development is a process of positive changes, quantitative growth and qualitative changes, which in relation to territorial entity is described as local or regional development. This kind of development is the effect of a process in the course of which local authorities stimulate economic growth of a certain entity due to the use of its own resources and external capital.[1]

Multifunctional development of rural areas, including agrotourism, is determined by many factors, including macroeconomic conditions, attractive natural environment, job resources, fixed and current production assets and regional infrastructure. These factors may function separately and should be linked up into a network of mutual connections. Multifunctional development of village areas also depends on farming productivity, work efficiency, employment struc-

[1] J. Parysek, *Podstawy gospodarki lokalnej*, Wydawnictwo Naukowe UAM, Poznań 1997, p. 10.

ture, location of a commune, social attitudes and many other factors, which stimulate or stop local development.[2]

Supposing that farming in rural areas still remains an important factor of economic growth, we can develop other economic activities on its basis, that is enterprises associated with tourism which help maintain traditional farming, improve the state of natural environment and keep their cultural heritage. Therefore, it is correct to say that tourism can contribute to the revitalization of rural areas in many ways.[3]

Tourism in relation to rural areas may have various forms. The basic one is the rural tourism, covering all types of recreational activities in village areas connected with nature, hiking and sightseeing in the countryside (mostly open spaces).[4] They include staying on holiday in agricultural households, eco-tourism, hiking, climbing, biking and many other types of tourism.

Agrotourism plays an essential role among various forms of tourism; according to M. Drzewiecki it is a kind of recreation connected with rural areas of a farming function, based on accommodation and various forms of outdoor activities connected with a farm and its surroundings.[5] All definitions of agro-tourism focus on its inseparability from farming (a farm) which is stressed by the opportunity for economic activation of village inhabitants engaging in a non-farming business without the need to resign from their former work in farming, simultaneously causing differentiation of work, rise in income and increase in a village's attractive quality as a place to live and work.[6]

Farmers become interested in providing services in agrotourism mostly because of their low income from farming, unemployment in the countryside, vacant housing resources, favorable area structure of their households, additional ready market created for food products and various types of services. Rural tourism as an instrument of local development generates benefits of income not only for people directly involved in tourism but also for the ones dealing with services for tourists outside agrotouristic households. Therefore it is

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[2] M. Sznajder, L. Przezbiórska, *Agroturystyka*, PWE, Warszawa 2006, p. 49.

[3] *Ibidem*, p. 50–51.

[4] E. Wyćwicz, *Turystyka na terenach wiejskich i agroturystyka*, in: *Turystyka w gminie i w powiecie*, ed. A. Gordon. Polska Organizacja Turystyczna, Warszawa 2003, p. 169.

[5] M. Drzewiecki, *Podstawy agroturystyki*, Oficyna Wydawnicza Ośrodka Postępu Organizacyjnego Sp. z o. o., Bydgoszcz 2002, p. 41.

[6] M. Sznajder, L. Przezbiórska, *op.cit.*, p. 48.

a chance both for single households and for economic and cultural stimulation of entire regions. It provides the opportunity for farm houses, local infrastructure and the entire rural space to be used differently.

Rural tourism, including agrotourism, is called a stimulator of countryside areas mostly because it generates additional income for farmers. Due to cash inflow from beyond farming business, the growth of own capital allows for new investments and thus improves rural infrastructure not limited to tourist infrastructure.[7] Agrotourism also contributes to the process of creating new workplaces, which is exhibited mostly with greater tourist traffic, when a network of related services is well developed.[8]

Besides economic profits, agrotourism brings many social benefits of developing cultural and entertainment facilities, local services (transport and health service), greater social identity, and revival of local habits and customs, crafts and cultural identity.

Other advantages favorable for local development include: a mobilization to raise qualifications, an opportunity to use potential human resources, act against mass emigration from rural areas, having greater care for the esthetics of houses and their surroundings and putting more attention to the natural environment.

Such a large area of influence points to extensive and versatile activities which help use and multiply the local resources that form the potential of development in agrotourism.

2. The Characteristics of Agrotouristic Services of the Podkarpackie Province

Developing tourist enterprises requires proper quality products designed for a specific target market. A tourist product is an element of the so-called regional mega-product but at the same time it is a complex category. W. T. Middleton shows that tourist product is treated as a combination of certain components as seen by a tourist. It is made up of material and non-material components, which enable tourists to spend their leisure time in their destination and

[7] M. Dębniewska, M. Tkaczuk, *Agroturystyka*, Wydawnictwo Poltext, Warszawa 1997, p. 20.

[8] J. Majewski, *Turystyka i ożywienie gospodarcze wsi*, in: *Turystyka wiejska i rozwój lokalny*, ed. J. Majewski, B. Lane, Fundacja Edukacja dla Demokracji, Warszawa 2002, p. 61.

form a kind of experience to be bought for a specific price. From the point of view of a producer, a product is a mix of components and benefits offered to consumers and the shape of that combination depends on certain service providers and tourist products.[9]

Due to the fact that tourism is one of priority directions in the development of the Podkarpackie province, the structure of a tourist sub-product becomes more and more attractive although not always adjusted to the ever-growing demand of guests coming to the Podkarpacie region. It proves that the regions lacks skills in tourist marketing. A. Panasiuk stressed that its basis is "to think about consumer needs (of tourists)".[10]

According to the records of 2008, the 1.1 thousand households functioning within rural tourism of the Podkarpackie province, there are 631 typical agrotouristic households which cooperate closely with the Agricultural Advisory Centre of the Podkarpackie Province (PODR) in Boguchwała. They offer 2,303 rooms altogether with 5,887 beds. Yet, it should be stressed that in the Podkarpackie province, the households offering all-year services prevail (89%); there are fewer places inviting guests only in the season, e.g. during the summer (with the use of camping sites for tents) or in winter in mountain regions.

A detailed characteristics of the Podkarpackie agrotouristic households are presented in table 1, which shows individual elements shaping the structure of an agrotouristic product.

As the presented data suggests, most households (72%) offer full board and even self-catering facilities (58%) on the spot from products purchased from the host farmer or his neighbors. It is quite convenient for both tourists and hosts that there is access to a separate bathroom and a place to relax, especially on days of unfavorable weather, that is offered by over a half of all farmer hosts.

Additional services offered by agrotouristic households result only from the hosts' invention and their scope is not limited by any regulations. These include services and recreational activities organized within the household. They are e.g. engaging tourists in home-made food production (butter, cottage cheese, bread-baking), children playing with pets and farm animals, relaxing while working on

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[9] V.T.C. Middleton, *Marketing w turystyce*, PAPT, Warszawa 1996, p. 89–91.

[10] A. Panasiuk, *Marketing usług turystycznych*, Wydawnictwo Naukowe PWN, Warszawa 2005, p. 63.

the farm, playing music together, organizing sports games, etc. and the recreational services and activities in rural areas outside the farm or household area which include renting tourist equipment, walking and hiking, horse riding, guided tours, etc.

Table 1. Selected services offered in agrotouristic households in the Podkarpacie region (as of September 2008)

No.	Specification	Amount	Share of households (%)
1.	Households open to guests:		
	– all the year	561	89
	– in the season	70	11
2.	Households offering:		
	– full board	454	72
	– food upon request	176	28
	– self-catering facilities	365	58
3.	Households with access to:		
	– orchard fruit, home-grown vegetables	586	93
	– milk	422	67
4.	Households with:		
	– separate bathroom	612	97
	– separate kitchen	365	58
	– separate chill-out room	397	63
5.	Communication in a foreign language	401	64
6.	Guided tours	346	46
7.	Households offering organized leisure activities, e.g. barbecue, etc.	422	67
8.	Households with household appliances at the guests' disposal	107	17
9.	Households with animal farms	618	98
10.	Households offering handicraft lessons	170	27

Source: based on the data of PODR in Boguchwała.

Hosts, taking the initiative to create offer packs with various suggestions of leisure activities should relate to their individual products and cooperation in creating tourist product of the whole area of reception (e.g. a village, commune, region), e.g. co-participation in the organization of local events to present folklore, customs, forms of commercial activity, etc.

An important element raising the attractive quality of an agrotouristic product is an ecological aspect, which essentially promotes that product among

prospective buyers. The connection between ecology and tourism is extremely close; tourism is a good method to promote eco-farming and a healthy life-style, which works both ways. Connecting the two: ecological production and tourist services is very much needed. So far, there have been approximately 20 certified eco-farms which provide agrotouristic services in the Podkarpackie province. That group of households will be able to emphasize their agrotouristic offer and strengthen it when offering ecological food to guests. It should be stressed that connecting eco-farming and agrotourism results in the rise of income and makes the branch more competitive on the tourist market.

The attractive quality of agrotouristic services offered by households under research in the light of survey study.

The study covered agrotouristic households operating in rural communes of high natural environment standards where the tourist function is not much developed. Thus, these households are "pioneering" in their villages and so they cannot use the experience of other hosts, unlike the communes of the Bieszczadzki or Leski district. The period when they operate is therefore very short; over 1/2 of the surveyed service providers have been running business for less than five years.

The analysis of accommodation types in these households shows that guest rooms are no doubt most popular. In the surveyed group of hosts 93.8% offer guest rooms, that is 2.8 per households on average which offer 7.5 beds on average. The remaining accommodation types are much less popular. It is proved by the fact that only three households (9.4%) have camping sites and only one has a summer chalet.

The basic services in agrotourism are also food services offered to guests. It is important that the catering offered should be different from the usual daily food of the guests. That means the offered meals should include local dishes and "chef's specialties." Tourists pay much attention to the source of food products, vegetarian and dietary dishes based on healthy food and nice, family atmosphere, all different from their daily lives and not uniform. The study showed that the surveyed hosts of agrotouristic households pay special attention to making their food offer especially attractive. The opinions of hosts on the need to make their services more attractive are presented in table 2.

Table 2. The areas of services which should be made more attractive for tourists and their meaning, according to hosts (%)

Specification	Total	According to age		According to education level		
		44-year olds and under	45-year olds and over	vocational	secondary school	higher education
1. Special products on offer						
– YES	31,2	40,0	23,5	36,4	33,3	–
– NO	68,8	60,0	76,5	63,6	66,7	100,0
2. The meaning of food products source for tourists						
– home-grown	87,5	80,0	88,2	90,9	83,3	66,7
– from the local market	31,3	33,3	29,4	27,3	27,8	33,3
3. The tendency of tourists to pay higher prices for home-grown products	66,8	73,3	58,8	72,7	55,6	100,0

Source: own estimations based on the survey.

The results of the survey show that only every third host surveyed has their own special product, also called the "chef's specialty," which emphasizes the unique quality of a household. Most often these are food products like home-baked bread, home-made butter and cottage cheese, a meat-stuffed cabbage dish called "gołąbki" or other regional dishes. Only one household offered a special product of embroidery as the one which makes that household special. Tourists can buy both embroidered products and learn about the process of creation. It is seen in the analysis of personal qualities that younger people with lower educational background are more eager to become hosts.

Besides basic services, also additional services are provided within a household. They only result from the hosts' inventiveness and their scope is not limited by any regulations. The analysis of agrotouristic services offered by the surveyed households lets us claim that they are mostly based on quite traditional solutions; yet much effort is taken to make them more attractive for tourists spending their time in the countryside (making bonfires, trips, attractions for children, etc.).

One of the features of modern consumerism is the ecology of consumption. Its important element is eating eco-products, free from chemical ingredients, coming directly from the hosts' farms. The surveyed hosts stressed that it is important for most tourists that the food products consumed during their stay come directly from a certain household. Every third person on average said that their source can also be the local market. At the same time, two in three people on average are ready to pay 15% more on average for local products (from 5 to 30%).

An important element of the strategy for an agrotouristic product is to determine a target buyer. Therefore, agrotouristic activity should be focused on "someone", which means a specific group of buyers to be won. A choice of specific target market allows for adjusting the offer to the needs of tourists and reaching the buyers whose preferences are included in the offer. Each agrotouristic service provider should choose the segment of consumer market, for which their household is destined. Farmers must suppose that it is not possible to adjust their agrotouristic offer to the demands and expectations of all potential client groups. Such a supposition is difficult, as they think that a most comprehensive offer can be flexibly adjusted to the needs of all guests, which will make it more attractive and allow for more tourists.

The survey showed that only every eighth agrotouristic household (12.5%) was targeted for a specific tourist group at the beginning of its operation, by adjusting organizational and technical solution to that specific market segment. A part of service providers notices such a need only while already providing their services. The most common target group is families with small children (25.5.%), most popular among older hosts of lower educational background. Every eighth farm owner focuses their offer on teenagers and young people (12.5%), a slightly smaller group – on hobbyists, mostly anglers (9.4%) and the elderly. Only one household addresses their offer to the disabled; its important element is hipotherapy.

The result of having some attractive resources and skills (e.g. speaking foreign languages, having cooking skills and hobbies, playing music, etc.) is that certain households are getting more popular among foreign tourists. The study suggests that half of the hosts (56.2%) have foreign guests, which is more characteristic for the younger and better educated house owners. Most often they are the tourists from Germany, and slightly less often – the Austrians, the British and the French. The remaining hosts have not yet taken such a chal-

lenge, mostly due to the lack of interest of foreign tourists in their offer; every sixth person surveyed pointed to communication problems; very small percentage thinks the challenge is too big and they would probably fail to succeed.

An important issue are the relations with tourists relaxing in the countryside, connected with the functioning of agrotouristic households. More and more hosts see the need to create lasting relations with their guests that will result in their loyalty. The condition for creating loyal attitudes in agrotourism is that there are both rational factors – creating a unique high-quality product of agrotourism, and emotional factors – nice, family atmosphere resulting in affinity or even a friendship between the hosts and the returning guests. According to the hosts, it is mostly the nice atmosphere that makes guests return in consecutive years (65.5%). Almost half of the people surveyed (40.6%) pointed to additional attractions (playing music, having bonfires and ram-roasting, etc.); every fourth person focused on discounts for loyal clients. As the results of the survey suggest, every third tourist on average (29%) is a person that returns to the same place for another holiday. The group of farm households which welcome foreign guests has the biggest rate of loyal guests (up to 75%).

A relatively high rate of such guests returning in consecutive years should be seen as a measure of high-quality service and a unique agrotouristic product, enriched with emotional features – being extremely important for the guests.

Conclusions

Agrotourism in Poland, after a few years of intense development, has found its place among relaxation and recreation offers and has begun shaping its permanent image. Agrotouristic development is most often perceived as a factor of a socio-economic activation of rural regions; a form of multifunctional development of villages. The multiple advantages of agrotourism of economic, social and ecological character make it a serious contribution to solving the problems of Polish villages, at least in part.

The basic condition for the development of services in agrotourism is the tourist attraction of a region, e.g. the Podkarpackie province. The standards of accommodation, the scope and type of attractions offered and the groups of clients vary. Specific communes also provide different conditions for running a tourist activity to farmers; village inhabitants engage differently in social

affairs. It is proved by the fact that there are still many communes that have not much developed their tourist functions, despite having rich natural and cultural heritage. Agrotouristic offers in these entities have just started developing. The next stage should be connected with a quantitative development, an improved offer, a progressing specialization and more a professional promotion.

Activities aiming at creating a rich and interesting offer in agrotourism must focus on quality as their basis. High-quality tourist offer can make prospective clients interested in staying in farm households and becoming loyal clients and helpers in winning new guests for their hosts. Stable improvement in the quality of products offered by rural tourism should be the philosophy and strategy of all service providers to act. It is important that besides an interesting offer, the hosts could provide tourists with local crafts, natural or cultural attractions, etc., which will make their services even more appealing.

USŁUGI AGROTURYSTYCZNE JAKO SZANSA AKTYWIZACJI OBSZARÓW WIEJSKICH WOJEWÓDZTWA PODKARPACKIEGO

Streszczenie

W artykule przedstawiono wybrane zagadnienia związane z rozwojem usług agroturystycznych w kontekście aktywizacji obszarów wiejskich województwa podkarpackiego. Stwierdzono, że agroturystyka jest ważnym elementem wielofunkcyjnego rozwoju obszarów wiejskich, przyczynia się bowiem do powstania nowych miejsc pracy oraz poprawy dochodów ludności rolniczej i niezwiązanej z rolnictwem (np. handel, gastronomia, rzemiosło).

Na tle rozważań teoretycznych zaprezentowano ofertę usługową gospodarstw agroturystycznych działających w województwie podkarpackim i zwrócono uwagę na konieczność dalszego uatrakcyjniania usług podstawowych oraz tworzenie pakietów ofertowych zawierających zróżnicowane propozycje spędzania wolnego czasu.

Z badań ankietowych przeprowadzonych wśród właścicieli gospodarstw agroturystycznych wynika, że rolnicy rzadko ukierunkowują ofertę agroturystyczną na konkretną grupę klientów. Mimo to coraz więcej rolników-kwaterodawców dostrzega

potrzebę nawiązywania trwałych relacji z przyjeżdżającymi gośćmi, które zaowocują kształtowaniem w przyszłości ich lojalnych postaw, a w konsekwencji przyczynią się do ożywienia społeczno-gospodarczego gminy.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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COOPERATION BETWEEN TOURISM ENTERPRISES IN ZACHODNIOPOMORSKIE VOIVODSHIP: AN ANALYSIS AND ASSESSMENT

One of the more important elements that influence adaptation of what the tourism sector offers to tourists' needs and requirements, is cooperation of entities on the supply side in the tourism market. This results mainly from the complexity and complementarity of a tourism product that is most often a package of services provided by different tourism businesses. Therefore, the aim of this article is to analyze and evaluate cooperative relationships in the tourism sector on the example of Zachodniopomorskie voivodeship.

1. Prerequisites of cooperation between entities in a tourism region

A product of a tourism business is a component of a bigger whole, i.e. a tourism product of an area (region) where a given business conducts its activities.[1] Together with other components, it forms a complex, complementary structure being one of the elements of the so called global (complex) tourism product.

[1] A. Rapacz, *Przedsiębiorstwo turystyczne*, Difin, Warszawa 2007, p. 51.

However, functioning of individual and autonomous businesses that provide services to tourists, does not make a concise tourism product and that is how consumers perceive and evaluate their satisfaction from their stay at a given area.[2] In case of supply complementarity, it is especially important that businesses that represent two sectors – public and private – cooperate with each other, because such cooperation brings the biggest synergic effects.[3] Only through connection of experience and finances is it possible to make tourism endeavors effective. Dispersed and uncoordinated, such endeavors in practice prove ineffective.

Due to growing competition in tourism, to make a given region attractive to tourists and to develop tourism there, it is essential that local government institutions of the territory as well as tourism businesses, tourism organizations and associations, business institutions, scientific units, and other entities interested in tourism development cooperate together.

Main reasons for which those entities should cooperate are the following (among other):[4]

- Growing tourists' expectations. Tourists expect complex goods and services of a quality that satisfies their needs in a given area (region),
- Dynamic development of information technology that brings about fundamental changes in the process of providing information about products and services and in their distribution,
- Growing competition between resorts and tourism regions, going beyond borders of a given country,
- Ongoing process of tourism market globalization,
- Striving for improvement of the area's (region's) image and of communication with the neighborhood,

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[2] P. Zmyślony, *Zintegrowany system zarządzania jakością w regionie turystycznym: podstawy koncepcyjne i możliwości zastosowania*, in: *Nowe trendy rozwoju turystyki*, ed. G. Gołembski, PWSZ in Sulechów, Sulechów 2008, p. 171.

[3] Ł. Nawrot, P. Zmyślony, *Współpraca grup interesu w polskich regionach turystycznych*, in: *Gospodarka turystyczna a grupy interesu*, ed. S. Wodejko, SGH, Warszawa 2006, p. 69–70.

[4] A. Rapacz, *Współpraca sektora publicznego i sektora prywatnego w miejscowościach i regionach turystycznych*, in: *Gospodarka turystyczna. Turystyka i gospodarka turystyczna w Polsce na tle procesów integracji w Europie. Euroregionalizacja. Konkurencyjność. Marketing*, Prace Naukowe Akademii Ekonomicznej im. Oskara Langego in Wrocław no. 1074, Wydawnictwo AE in Wrocław, Wrocław 2005, p. 49.

- Striving for reducing tourism's negative influence on environment and the need to raise local community's and tourists' awareness in this matter,
- Striving for strengthening local tourism economy and increasing profits gained by service providers and local community,
- Desire for additional benefits that are the result of cooperation between entities from public and private sectors.

The issues of shaping tourism development in a regional aspect, including tourism economy entities, take on the forms of both cooperation and competition.[5] Therefore, a basis should be created for such cooperation that would not be harmful for the functioning of a competitive market and for such competition that would not hinder cooperation. This problem lies in the sphere of coopetition, that is a special strategy of cooperation and competition.

2. Analysis of cooperative relationships in the tourism sector in the light of the survey conducted

A survey of cooperative relationships was conducted in May and June 2007, and included tourism businesses that have their seats in Zachodniopomorskie voivodeship. The research tool used in the survey was a questionnaire.[6]

As a result of the survey conducted, there were responses from 50 companies operating in Zachodniopomorskie voivodeship, 24 of which had their seats in Szczecin. They were mainly small businesses (90% entities) providing a wide range of tourist services.[7]

100% of the companies cooperate in the scope of their activity with other companies located in Zachodniopomorskie voivodeship, 80% – with the compa-

[5] A. Panasiuk, *Integracja działań samorządu terytorialnego i podmiotów sektora turystycznego jako warunek rozwoju gospodarki turystycznej*, in: *Gospodarka turystyczna...*, p. 94.

[6] The survey was conducted for the project: „BTT – Branżowe wsparcie innowacyjności mikro, małych i średnich przedsiębiorstw" (Innovation business support of micro, small and medium businesses) realized within the frames of the Integrated Regional Development Operational Programme, measure 2.6, "Regional Innovation Strategies and Knowledge Transfer".

[7] P. Niedzielski, A. Dołowy, D. Milewski, D. Szostak, *Innowacyjność i struktury klastrowe w województwie zachodniopomorskim. Turystyka*, University of Szczecin, Szczecin 2008, p. 123–131.

nies outside the region, and every second company cooperates with foreign businesses.

In 75% of the cases, trade cooperation with other small and medium businesses is regular, whereas regular cooperation with big enterprises was admitted by 30% of the companies surveyed and irregular cooperation – by almost 60%. Over 80% of the entities indicated some cooperation with universities, almost 60% – with local government institutions, over 30% – with research centers. Cooperation with industrial parks and technology centers seems very poor – 63% of the companies do not cooperate with such organizations at all and only 26% of the entities surveyed have cooperated with them once or from time to time. Cooperation of tourism companies with consulting companies does not seem much better – not even 20% of the entities indicated cooperation, most often irregular in its character.

Almost 88% of the entities belong to trade associations or other forms of local business-related unions, almost 19% belong to national organizations, almost 13% of the companies surveyed belonged to international organizations and more than 6% of the companies stated they did not belong to any trade association.

Cooperation within the trade is mostly based on informal connections – that was indicated by almost 60% of the respondents whereas over 40% stated it was based on creating a cooperative. In more than 35% of the cases, the entities analyzed declared cooperation with other entities from this business sector in the form of a consortium or an association.

Cooperation with other companies operating in tourism industry is achieved within the framework of providing complex services together. In almost 40% of the cases, such cooperation concerns organization and participation in a fair or an exhibition, etc. Only in less than 20% of the cases there was technical-technological cooperation, and almost 13% of the entities indicated cooperation in other fields. The entities examined do not cooperate at all in obtaining funds from external sources or recruiting/training employees.

Evaluation of how much cooperation there is between companies that operate in tourism industry indicates that this cooperation is poor or very poor (almost 60% of responses), over 30% of the entities called it moderate. Very strong cooperation within the tourism trade was indicated by 6% of the enterprises and no cooperation was indicated by the same percentage of the entities.

Most respondents mentioned trade associations (almost 44%), the local government (25%) and chambers of commerce (almost 19%) as the entities that are or could be initiators of cooperation between companies in the trade.

As the main reason for lack of cooperation between tourism businesses, the respondents indicated mutual distrust connected with the possibility to steal each other's ideas and personnel. Over 60% of the respondents that operate in the tourism trade indicated that reason. Lack of information about possibilities to cooperate was indicated by over 43% of the companies and a little smaller percentage (38%) thought the problem was due to lack of tradition of cooperation. A little over 12% of the entities named the existing legal and administrative regulations as well as shortage of funds to finance cooperation among the core reasons for the lack of collaboration in the tourism trade.

As the main advantage of cooperation among each other, tourism businesses indicate the possibility to promote their activities more efficiently. That was pointed out by every second of the companies examined. Almost 45% of the firms see their mutual cooperation as the possibility to provide customers with complex service and to make their services more available. Every third company thinks cooperation determines faster flow of information, innovations and technical novelties, whereas every fourth company thinks cooperation helps to gain new customers, or to enter new markets, or to raise competitiveness of the company. Almost 20% of the businesses surveyed indicated better possibilities to obtain funds from various ventures.

Tourism companies show an optimistic attitude as far as possibility to start cooperation with their present competitors is concerned. 75% of the companies surveyed indicated such possibility as real, and only 6% of the respondents excluded all forms of cooperation.

Summary

The research conducted shows that regular cooperation of entities from the tourism trade that operate in Zachodniopomorskie voivodeship is local and realized mainly between tourism businessmen themselves. Almost 60% of the entities cooperate with local government institutions. However, the evaluation of this cooperation between companies indicates that collaboration is poor or very poor. Most respondents mentioned trade associations, local government

authorities, and trade chambers as entity that are or could be initiating cooperation between companies in the tourism trade.

As the main reason for lack of cooperation between tourism businesses the respondents indicated mutual distrust, lack of information about possibility to cooperate and lack of tradition of cooperation. The sources of many mutual prejudices also lie in the mental sphere of businesspeople themselves. Therefore, it seems justified to use funds to finance common ventures of the companies (e.g. within the framework of the EU financing programmes), which will allow the stakeholders to remove a number of the abovementioned obstacles, and simultaneously will make it possible to realize common projects. Lack of tradition of cooperation inclines entrepreneurs to seek examples of good practice in the scope of cooperation, and to organize integration meetings or cooperative exchanges. As a result of such initiatives, tourism entities will doubtlessly start noticing profits from cooperation.

Despite obstacles, the companies also see profits from potential cooperation, such as the possibility to promote their business more efficiently, as well as mutual cooperation through providing customers with complex service and greater availability of services. Every third company thinks cooperation determines faster flow of information, innovations and technological novelties.

It is noteworthy that the majority of the companies examined see it possible to create a tourism cluster. That perception of cooperation and the existing examples of this kind of cooperative actions (local tourism organizations, associations, etc.) are a strong development basis for further, regional cooperation in the business.

The abovementioned conclusions enable formulation of certain recommendations, especially for business-related institutions, local government entities, and tourism organizations, with regard to shaping cooperative and cluster relationships among tourism businesses, namely:

- creating favorable conditions for regional cooperation and beyond, with reference to the possibility of establishing cooperation among tourism companies (cooperative exchanges, fairs, promotional actions),
- promoting “good practice” with regard to cooperation,
- financial support for companies that undertake common ventures, including gaining European Union funds,
- strengthening cooperation between companies, especially taking into consideration local tourism organizations, tourism and other associa-

tions on the basis of which cluster structures can be formed in the future.

The essence of the tourism product as a complex set of services and facilities offered to potential and current tourists makes it necessary for various entities of tourism economy as well as research centers and local government entities to cooperate, in order to achieve mutual benefits, in the scopes of counseling, training, market information, institutional support, carrying out research in the tourism market, and many other activities without which tourism enterprises could not function efficiently. An indispensable element of such cooperation is constant flow of knowledge and information, which is especially noticeable in functioning cluster structures. Knowledge and information available to entities of tourism economy is, in turn, a precondition of their proper development and strengthening of their competitive position.

WSPÓŁPRACA PRZEDSIĘBIORSTW TURYSTYCZNYCH W WOJEWÓDZTWIE ZACHODNIOPOMORSKIM: ANALIZA I OCENA

Streszczenie

W artykule przedstawiono analizę i ocenę powiązań kooperacyjnych w branży turystycznej. Zagadnienia te omówiono w kontekście przeprowadzonych badań ankietowych wśród firm turystycznych województwa zachodniopomorskiego należących do sektora MSP. Badano przede wszystkim takie zagadnienia, jak:

- forma i zakres współpracy firm turystycznych z podmiotami z branży,
- bariery dla rozwoju kooperacji w branży turystycznej,
- korzyści płynące ze współpracy firm turystycznych,
- szanse powstania klastra turystycznego.

Wyniki badań pozwoliły na przedstawienie wniosków i rekomendacji samorządom oraz instytucjom z otoczenia biznesu związanych z analizowanymi zagadnieniami.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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INFORMATION IN REGIONAL TOURISTIC ECONOMY MANAGEMENT

Introduction

In economic approach information is a specific production factor, which occurs as: an economic resource, a market product (good), an element of economy infrastructure, a public good,[1] an individual value (emotional). Mentioned aspects of information treatment simultaneously indicate that it is a specific market category, which has a decisive meaning in implementation of market activities in companies from different branches, also touristic, thus in a regional tourism economy.

In a modern economy, the meaning of information as a factor used in economic processes is decisive for social and economic development. Significant influence of information on social and economic development is especially visible in a long term. The role of scientific, technical and organizational factors, factors that aim at economic growth and social prosperity, increases in a new economy. Information becomes a basic market resource in that field. On the one hand, clients would have limited possibilities of creation of their touristic needs and matching offers without current and reliable information. On

[1] J. Oleński, *Ekonomika informacji*, PWE, Warszawa 2001, pp. 23–24.

the other, entities offering touristic services wouldn't be able to create touristic offers and present them effectively on the market.

From the point of view of touristic market entities, information is this element of economic process, thanks to which it is possible to make fast and effective market decisions in the contacts with clients and cooperative entities.

Separated production factors need to be used together in order to gain utilitarian effect which is touristic service aimed at consumer. The main factor deciding on utilization of other factors is labor, namely a man with qualifications, who activate the whole production process and manage other production factors. Next (from the point of view of importance) factor is information because it enables decisions related to the utilization and allocation of the other production factors, namely labor (number of personnel servicing tourists), land (localization of service institutions) and capital (in the field of utilization of technical means, servicing systems).

Access to the information and the ability of using it decide on the position of each entity of tourism economy. In the conditions of touristic services market, information is used as:

a) knowledge, namely potential that should be properly managed;
b) basis for making market decisions, by means of market researches directed at competition and consumers;
c) database on touristic potential of regions (touristic virtues, touristic infrastructure, entities' service offer);
d) form (technology) of contact, offer presentation and form of conclusion of transactions with clients and collaborators through the modern reservation systems, also the Internet;
e) entities' subject of operating on the touristic market, especially services in the field of touristic information in a wide meaning.

The aim of the article is presentation of position of information in tourism economy management. Moreover, indication of aspects of touristic information systems development with particular consideration of regional touristic economy. There were also presented conclusions and remarks referring to the necessity of improvement of touristic information system in Poland.

1. Regional tourism economy

All range of actions, appliances and means aiming at fulfilling needs created by tourists is called tourism economy. In Polish literature, despite continuing discussion on interpretation and range of concept "tourism economy", most authors agree in general with the definition of W.W. Gaworecki, who describes tourism economy as "*complex of varied economic and social functions developed directly or indirectly in order to fulfill growing human need for touristic goods and services*".[2] That definition underlines the complexity of tourism economy and its tight relation to the process of touristic consumption, similarly to the definition formed by A.S. Kornak and A. Rapacz describing tourism economy as "*a group of varied functions developed directly or indirectly in order to fulfill people's need related with and resulting from their willingness for participation in particular forms and kinds of tourism and relaxation*".[3]

In a system approach, tourism economy is defined as a system of correlations emerging during the process of fulfilling tourists' needs, correlations between institutions and organizations realizing the process.[4] This system includes all activities aiming at fulfilling touristic demand, from natural environment adaptation for the needs of touristic movement to creation conditions enabling tourism development. There can be differed three basic subsystems (aggregates, functional units): coordination and management, material-supply and operational, linked together by means of horizontal and vertical connections. System of tourism economy stays in a constant, mutual interaction with touristic demand formed by the amount and structure of signalized needs. System of tourism economy influences the amount, kind and character of touristic demand while touristic demand significantly influences activities taken up within tourism economy.

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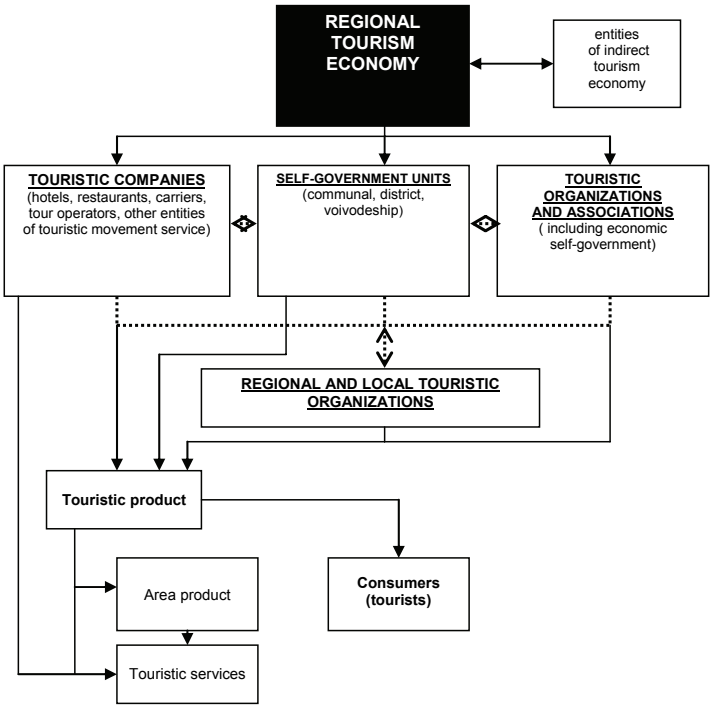
[2] W.W. Gaworecki, *Turystyka*, PWE, Warszawa 2003, p. 161.

[3] A.S. Kornak, A. Rapacz, *Zarządzanie turystyką i jej podmiotami w miejscowości i regionie*, Wydawnictwo Akademii Ekonomicznej im. O. Langego we Wrocławiu, Wrocław 2001, p. 11.

[4] A. Nowakowska, *Gospodarka turystyczna w ujęciu systemowym*, Folia Eeconomica Cracoviensia 1988, vol. XXI, pp. 169–171.

Tourism economy occurs in all spheres of economy: goods and services production, their division, exchange and consumption;[5] it also occurs in the majority of national economy branches, which bigger or smaller part of activities refers directly or indirectly to the realization of touristic demand. Nevertheless tourism economy is not an independent sector but a collective concept comprising those parts of particular sectors of national economy, that create goods and services for tourism and that are functionally conjoined with each other and with other parts of national economy.[6] Drawing 1 presents entities of regional tourism economy.



Drawing 1. Entities of tourism economy

Source: self-composed.

[5] T. Łobożewicz, G. Bieńczyk, *Podstawy turystyki*, WSE, Warszawa 2001, p. 71.

[6] A. Kornak: *Ekonomika turystyki*, Kujawsko-Pomorskie Studium Edukacyjne, Bydgoszcz 1997, p. 72.

Tourism economy operating can be analyzed in macroeconomic approach and also through regional system. Tourism economy in regional approach, depending on touristic attractiveness of regions, can be polarizing, stimulating or neutral factor for region's development.[7] Influence with polarizing character is characteristic for regions highly attractive, where besides high-rank touristic virtues and infrastructure, economic conditions favorable for development of the other economy sectors occur. Increasing touristic movement and a sphere of its service create good conditions for the development of another (than tourism) economic fields, which operating depends (directly or indirectly) on tourism. It creates conditions for complex region's specialization which means that the development of all economic spheres in region is determined by tourism. An influence stimulating for socio-economic development is characteristic for regions where tourism has only indirect influence on area's economy because there exist other sectors of economy with dominant meaning. In that case tourism is only a factor that additionally stimulate region's development. Neutral meaning of tourism occurs only in regions where tourism doesn't have a significant influence on socio-economic development but remains as an element completing it.

2. Touristic information

Minding mentioned considerations it is purposeful to define touristic information as basic activities related to the processes of touristic services market. Touristic information is an organized system of data about touristic product together with conditions of their storage and availability, system that is useful for entities from supply and demand side of touristic market, system run in spatial configuration (domestic, regional, local), organizational and/or commercial by entities interested in activation of touristic offer sale.[8]

Proposed definition has a functional character and underlines a range of activities on the touristic services market where information plays significant

[7] A. Kornak, A. Rapacz, *op.cit*., p. 35.

[8] B. Meyer, *Informacja w procesie obsługi ruchu turystycznego*, in: *Informacja turystyczna*, ed. by A. Panasiuk, Ekonomiczne Problemy Turystyki nr 7, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin 2006, p. 225.

role on the supply side (information about an offer) as well as on the demand side (information about needs).

A range of entities participating in creation of an information and simultaneously being its users should be pointed out while treating information as a market resource. Information as a resource of touristic services market is essential for market decisions:

- of touristic companies,
- of territorial self-government at all levels,
- of touristic organizations and sectorial associations,
- of integrated touristic areas creating regional touristic products,
- of consumers of touristic services (tourists).

Considering a multiplicity of mentioned entities – participants of touristic market, there appears a problem of proper aggregation of information and necessity of cooperation of supply side entities in order to create system of touristic information for:

- potential tourists – interested in a region as a place of touristic destination,
- tourists residing in a region,
- entities willing to take up market activities.

The role of information in regional tourism economy management is generally brought to:

- creation of cooperation between units responsible for tourism development,
- emergence of new touristic attractions (products),
- creation of region's touristic image,
- influence the amount and structure of touristic movement,
- realization of the aims of regional economy (social and economic),
- utilization as an instrument of researches of touristic services market,
- formation of competitive position of regional tourism economy,
- creation of touristic information system.

3. Postulated directions of formation of information system management in regional tourism economy

Basic direction of improvement of information management system in regional tourism economy should be taking up activities, on many levels of tourism management, for creation of complex and effective touristic information system in Poland. As it results from conducted researches, territorial self--government units and other entities aiming at tourism economy development (i.a. Polish Tourists Organization) put a decisive contribution in creation and improvement of regional touristic information system. The most important results of researches and also recommendations for competent entities are listed below:

1. Properly managed information has a significant meaning for formation of touristic supply and demand in the conditions of highly competitive market. Multiplicity of entities providing and using information in tourism sector requires preparation of system solutions. Those solutions should be created on local, regional and domestic level.
2. There is a necessity of creation of homogeneous system and one database about attractions and tourism infrastructure in particular region what would enable utilization of gathered information and facilitate their collecting. Unfortunately majority of entities operating on touristic market is still forced to gathering and supplementing information on their own what in consequence lead to incomplete information and tourists disorientation. Creation of information systems by entities (usually commercial) only for their own needs should be recognized as ineffective because in that case not only entities lose their competitiveness but also region and voivodeship lose their touristic image.
3. Properly designed, built and managed touristic information system allows region to improve its image, touristic company to offer services on the new markets, management of protected areas to monitor the amount of touristic movement and to estimate its influence on touristic virtues and to provide complete and up-to-date information for tourists.
4. There should be created touristic information management teams on a regional level, teams consisted of employees of many touristic and self--government entities. That kind of team should be created on the base of activity of regional touristic organizations.

5. A significant factor influencing correct operation of regional touristic information system is creation of transparent organizational relations between the system's participants and description of the rules of financing and using gathered data.
6. A complex system of touristic information that is ISIT (Internet System of Touristic Information and Promotion of Poland POT) should be extend and improved. The system management requires high programming skills and knowledge in the field of tourism. The effectiveness of system operating is dependent on cooperation with regional unit.
7. One of the more important elements creating efficient information system are centers (touristic information centers); the lack of legal protection of the name "touristic information" causes that "it" logo appears next to many tour operators and other institutions which using tourists' trust to the "it" centers want to gain potential clients. Therefore, the use of "it" logo should be legally protected.
8. There should be implemented categorization of touristic information centers on the regional level.
9. According to the POT stipulations, "it" centers should be created in every city and commune which is significant for tourism.
10. There should be used an opportunity of creation of touristic information centers where employees would provide information next to their basic responsibilities.
11. There is a necessity of creation of seasonal "it" points e.g. in cities with typically seasonal touristic movement or by the way of important events. Touristic information could be also provided by specially trained police officers, city guards, taxi drivers, students of touristic schools.
12. Competences of people providing touristic information should be legally regulated, like in case of guides.
13. The system of recommendations and categorization of "it" centers should be supervised by Polish Tourists Organization through its unit – Tourists Information Forum. Tourists Information Forum should also manage "it" logo and grant it only to the entities that meet particular requirements of categorization.
14. Localization of "it" points should be beneficial for tourists as well as for local people.

15. Implementation of the system of categorization and recommendation of touristic information points should regulate "it" points operating, improve the protection of tourists rights and interests, facilitate an impact on the level of provided information systems, facilitate the flow of information between "it" centers and also facilitate the actualization of regional touristic information services in the Internet and actualization of data in ISIT; categorized touristic information points would be responsible and allowed for direct and systematic actualization of data in ISIT.
16. Ensuring constant access to reliable, complete and current information play a key role in the process of decision making. Mass statistics, that register processes and phenomena on tourism market, is insufficient when a big versatility of supply and demand determiners occurs. Macroeconomic information led by Central Statistical Office doesn't reflect the conditions of local market. Regional character of tourism therefore requires researches conducted on the level of regions and even communes.
17. It is necessary to organize regional touristic information systems with reservation systems, to create local touristic information points and to develop a road touristic information.
18. Modern tourism is not able to effective functioning in a competitive environment and to fulfilling versatile and changeable in time and space tourists' preferences and needs without utilization of modern, integrated, net information management systems with domestic and global reach.
19. Among the defects of regional touristic information there are: the role of "it" in touristic operation noticed by self-government authorities and tourism sector too late, existence of many promotional publications on the law substantial level, the lack of efficient (regional and domestic) touristic promotion and information networks. Among the advantages: numerous, well prepared personnel, self-government authorities' willingness to create local centers or "it" points, implementation of the new technologies – promotion and information systems, existence of numerous means of promotion used in "it" systems.
20. It is necessary to create a common ground for cooperation and touristic exchange on the regional level.
21. Properly managed information system ensures a development of regional touristic market and also forms development and utilization of tourism infrastructure.

Mentioned tasks and their realization in practice by territorial self--government, especially on the level of voivodeship, together with cooperation taken on the domestic level are basic premises for formation of information management system in regional tourism economy.

INFORMACJA W ZARZĄDZANIU REGIONALNĄ GOSPODARKĄ TURYSTYCZNĄ

Streszczenie

W artykule zaprezentowano zagadnienia funkcjonowania systemu informacji turystycznej, ze szczególnym uwzględnieniem jej roli w rozwoju lokalnej gospodarki turystycznej. Informacja turystyczna jest elementem obszarowego produktu turystycznego. Warunkiem jej skutecznego działania jest konieczność wsparcia technologiami informacyjnymi, a zwłaszcza Internetem. Celem artykułu jest prezentacja wyników badań przeprowadzonych w gminach województwa zachodniopomorskiego dotyczących stanu wykorzystania Internetu dla potrzeb realizacji zadań samorządów lokalnych w zakresie informacji turystycznej. Określony został zakres współpracy samorządów gminnych z przedsiębiorcami turystycznymi. Efektem tej współpracy jest tworzenie kompleksowego systemu informacji turystycznej o atrakcjach i ofercie turystycznej na obszarach gmin.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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INTERNET ADVERTISEMENT OF TRAVEL AGENCIES OFFERS

Introduction

Opportunities for the promotion of products and services in the Internet are practically unlimited and this refers both to the degree of how individual promotional functions are carried out and to the instruments used for this purpose. For travel agencies, the Internet is essential and sometimes becomes the key channel in reaching a customer. They can take advantage of an electronic platform in transferring offers' presentation, orders management, and even concluding contracts, as well as servicing them. Undoubtedly, the most important role in travel agencies communication with customers, by means of the Internet, is played by their websites as the place for image creating, services selling, or building a long-lasting relationships with customers.[1]

[1] More broadly in I. Michalska-Dudek, *Wpływ rozwoju technologii informacyjnej na zmiany zachodzące po stronie podaży turystycznej na przykładzie wykorzystania serwisów internetowych w działalności promocyjnej dolnośląskich zakładów hotelarskich* [The influence of information technology on changes occurring in the tourist supply area, as exemplified by the Internet services application in promotional activities of Lower-Silesian hotels], in: *Nowe trendy rozwoju turystyki z warsztatów badawczych instytutów i katedr turystyki i rekreacji* [New trends in tourism development from research workshops of the Chairs of Tourism and Recreation], ed. G. Gołembski, Wydawnictwo PWSZ, Sulechów 2008, p. 219 and subsequent.

However, the Internet also offers unlimited possibilities for advertising tourist products that can be placed on company websites or co-operating trade portals. Just as an appropriately designed and managed website in the past, such implementation of additional tools in the Internet advertising presentation became nowadays the part of media set, indispensable for a marketing-oriented travel agency, implementing modern technologies. Banners, mailing, newsletters, mailing lists, newsgroups and chat rooms, which the hereby paper discusses, are among the most important tools of the Internet advertisement related to tourist products which may, in practice, be used by travel agencies.

1. Banners – the most popular tool of the Internet advertising presentation

The spectrum of possibilities for the Internet advertising presentation of a tourist product is very wide and includes, most frequently, graphic or sound forms located in various places of a company website (Table 1).

A banner becomes, among others, the tool for advertising presentation in the Internet. It takes the form of an advertising strip shown on websites, which after activating the hyperlink included in it (in other words, by clicking it) transfers the user onto the due website of an advertiser. Banners are included among the most popular forms of advertisement in the Internet which can be used successfully by travel agencies. Banners can be placed on:

- websites most often visited by users (search engines, portals, news services), contributing to the maximisation of an advertisement range,
- websites topically related to an advertiser – travel agency,
- in the framework of "banner exchange" type, consisting in free, mutual banner exchange between members of a given system.[2]

The efficiency of a campaign using banners depends, to a considerable extent, on websites where these advertisements will be shown. Banners' presentation will be more efficient if an advertising transmission is related to a given website's subject matter. The portal dedicated to tourism is considered a good place for banner advertisement by a travel agency.

[2] Cf. *Marketing w Internecie* [Marketing in the Internet], ed. A. Małachowski, Wydawnictwo Akademii Ekonomicznej, Wrocław 2004, p. 60.

Table 1. Exemplary advertising presentations in the Internet

Type	Features and the most frequently used dimensions
1	2
Advertising banner	An advertising banner is the graphic advertising element placed centrally in the upper, prestigious and the most visible part of the page. It is either animated or static, mostly in two sizes: 468 x 60 pixels and 400 x 50 pixels (Polish standard). Clicking the banner automatically moves the user to the advertised site
Advertising box	The area located in the right part of a page, containing text, links or a graphic advertising element. Clicking the advertisement automatically moves the user to the advertised site. Dimensions: 160 x 150 pixels
Billboard (also known as mega-banner)	An advertising banner of enlarged dimensions and size, placed centrally in upper parts web pages. Clicking the banner automatically moves the user to the advertised site. Its dimensions are considerably larger than in case of a banner, namely: 750 x 100 pixels
Midtext banner	Graphic advertising element, placed in the middle of an article in a selected website. Dimensions: 300 x 250 pixels
Skyscryper	Graphic advertising element, in the form of a vertical banner, placed on the top of one of side columns. Clicking the advertisement automatically moves the user to the advertised site. It is much larger than the traditional advertising banner, its most common sizes are:180 x 200, 180 x 400, or even 160 x 600 pixels
Out-skycryper	It is an interactive skyscryper, which after the moving of cursor onto it "unwinds" to a bigger size, allowing the use of additional space for presentation. Maximum dimensions of an unwound one are: 360 x 200, 240 x 600, 360 x 400, 320 x 600 pixels
Out-banner	An advertising banner that "unwinds" from its basic size to a much larger one after the cursor moving onto it. When the cursor is moved outside the banner's area, the advertisement "shrinks" to its initial size. The dimensions are: 468 x 60 pixels
Pop-up	A graphic advertising element shown in a separate window of a web browser following user's entry into a given site or portal page. Clicking the advertisement automatically moves the user to an advertised site. Maximum dimensions of pop-ups are 250 x 250 pixels
Pop-under	A graphic advertising element appearing in a separate window of a web browser following user's entry into a given site or page. The advertisement is activated after the browser window is closed or minimised
Top-layer	Animation in "flash" format by using moving graphical elements in various configurations, as well as sound effects
MEDIABREAK (so-called poltergeist, superstitial)	Several seconds long, full-screen animation in a flash format, also using sound effects. The advertisement appears immediately after page loading or even before it is displayed
Flying cursor	Advertisement form based on DHTML format. It consists in a logo or other graphic form "attachment", e.g. a miniature of an advertised product to the cursor. This way the object follows cursor's movements on the page. Standard dimensions are: 120 x 100 pixels

1	2
Kick-ad	Additional, moving banner on the page. Clicking the cross in upper advertisement corner does not result in banner's disappearance, but moves it to a new place on the page (top or bottom border). Clicking any other place on the banner automatically moves the user to an advertised site. Average single exhibition time is 20 sec
Scroll banner--button	Moving banner or box in .gif or .jpg format that moves as the viewed page is scrolled up or down. This way the advertisement remains always visible for the site visitor, no matter where he/she currently is on the page. Dimensions: 460 x 60 and 120 x 60 pixels
Watermark (so-called wallpaper)	Graphic advertisement shown on the whole webpage at the background of the page content. Users entering the given website have permanent contact with the advertisement, visible at the background of the text, which guarantees its high efficiency. It is the most subtle and also the most appealing to user's sub-consciousness, graphic advertisement
Brandmark	Graphic advertising element similar to pop-up, however, it is not limited by the standard browser window. It can take any shape within the scope of a given area. It also has to be marked by 'x' on closing the advertisement

Source: authors compilation based on Z. Kruczek, B. Walas, *Promocja i informacja turystyczna* [Tourism oriented promotion and information], Wydawnictwo Proksenia, Kraków 2004, p. 53–54; *Komunikowanie się w marketingu* [Communication in marketing], ed. H. Mruk, PWE, Warszawa 2004, p. 57–59.

An appropriate banner design and outlay constitute important elements contributing to higher efficiency of banners. If the campaign's objective is to increase brand awareness, then the key role is played by elements related to the visualisation of due travel agency, such as logo, appropriate colouring. Whereas, in case of a campaign aimed at stimulating short-term increase in sales, time limitation of an offer should be emphasized, e.g. by introducing phrases "last minute", "only now" or "today only".

The other forms of the Internet advertisement (Skyscraper, midtext banner, billboard) are mainly characterised by larger dimensions, better perceptibility and higher information capacity. Their technology offers opportunities for reaching the selected groups of Internet users.

Buttons and text links present older forms of the Internet advertisement related to banners. Buttons are banners of smaller dimensions, usually not placed in the page central position which together with their smaller size, results in poorer effects, as compared to banners. Lower emission cost is, however, their advantage. Text links, in turn, are such texts which, when clicked, move the user to the website of an advertiser.

The banners of pop-up, interstitial, top layer type are presented while moving between web pages. Contrary to banners, buttons or links these are not included in a webpage, but cover it on appearance. Pop-up is a transmission opening in a separate window, whereas interstitial and top layer represent animations covering the whole screen, or its part. This means that the user has to watch the animation before he/she can pass on to the selected webpage. Small static element can remain on the page after the advertisement emission is completed, allowing the user to move onto the advertiser's website at any time. Fig. 1 presents examples of advertising announcements which may be placed on the Internet banners of travel agencies.

2. The Internet commercial announcements (mailing, newsletter, mailing lists, newsgroups, chat room)

Commercial announcement sent to addressees by means of an e-mail represents another advertising tool which, aside from banners, is most often used in the Internet. Main tools used by agencies and facilitating individual communication via the Internet are as follows:

- direct e-mail (mailing),
- newsletters (electronic bulletins),
- mailing lists,
- newsgroups,
- chat rooms.

Direct e-mail, also known as mailing, refers to promotional texts sent by means of electronic mail.[3] This model of advertising transmission is the Internet equivalent of direct mail. It differs from direct mail in the way that the postage fee is not paid by the travel agency and in the possibility of entering into an immediate interaction with a customer (by activating a hyperlink which enables a customer to access the travel agency's website where the desired information can be obtained and the tourist event booking can be done). Information sent this way is updated, because the letter reaches the addressee within several minutes.

[3] B. Dobiegała-Korona, T. Doligalski, B. Korona, *Konkurowanie o klienta e-marketingiem* [Winning a client by means of e-marketing], Wydawnictwo Difin, Warszawa 2004, p. 193.

Currently the Internet represents the cheapest and fastest form of communication[4] available to a travel agency.[5] Correctly created marketing database of e-mail addresses allows travel agencies to sent electronic catalogues, folders and brochures, greetings, information about events important for a given travel agency, invitations, and information about current promotions or contests, mostly the short-term ones (i.e. available for 2–3 days), to the selected customers.[6]

Owing to electronic mail it becomes possible to obtain some feedback information from a customer, who can also ask for explanation or make an enquiry to a travel agency easier that in the past (feedback). Information from a customer can refer either to the travel agency offer, to website's outlook and content, or to services offered to customers by traditional service facilities.

It is possible to attach photographs, movies or multimedia presentations providing the sent information, regarding offers sent by an agency via the Internet, with suitable aesthetics. The target model takes the form of personalised html mailing presenting high level of graphics and interactivity, accompanied even by music elements,[7] in which personalisation means not only greeting the user by full name, but mainly the delivery of information adapted to the user's needs and expectations.

Newsletter is an electronic information in the form of a bulletin sent to a group of registered subscribers. A customer visiting the travel agency website fills in a special interactive form placed on one of web pages stating (apart from some other data useful to a travel agency for marketing purposes) his e-mail address to which occasionally (every week, month) the travel agency bulletin is sent.

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[4] Among the fundamental advantages of communication with a customer by means of electronic mail there should be mentioned: fast communication; simple operation facilitated by the current software with implemented functions like sending and receiving messages, defining addressees' lists, mail management, etc.; immediate and simple feedback; low cost of message; universality of electronic mail; possible multimedia transmission; possible multiplication of information; possible personalized transmission; possible receipt acknowledgement by the addressee; ease of serial and automatic correspondence; efficiency of marketing transmission (provided it is not unsolicited mailing and customers have previously agreed to receive it (so-called permission based e-mail)).

[5] Z. Kruczek, B. Walas, *Promocja i informacja turystyczna* [Tourist promotion and information]. Wydawnictwo Proksenia, Kraków 2004, p. 73.

[6] A. Dejnaka, *CRM. Zarządzanie kontaktami z klientami* [Managing contacts with clients], Wydawnictwo Helion One Press, Gliwice 2002, p. 133.

[7] B. Dobiegała-Korona, T. Doligalski, B. Korona, *op.cit.*, p. 194.

Newsletter should be sent on opt-in basis, which means obtaining the addressee's consent, or even double opt-in basis in case of which the user has, not only, to register, but also to confirm the wish to subscribe it later on receiving the first newsletter issue.[8]

A travel agency can use a newsletter in establishing its own image, in maintaining relations with customers on a regular basis, in keeping up loyalty towards an already visited website, in generating more of such visits, or even increasing its on-line sales. A bulletin may provide information concerning a travel agency (presentation of novelties, promotions, contests, etc.), its website (updates, modifications, events, etc.), or issues related to the subject of its activity (presentation of destinations, tourist attractions in their vicinity, interviews with travellers or specialists, etc.).

A newsletter constitutes, for a travel agency, a perfect tool of communication with its customers, since it allows to:[9]

- promote its name among customers on a regular and acceptable basis,
- personalise communication with customers,
- create the company image as the expert in a given area,
- inform the Internet users about changes on its website and encourage them to visit it again,
- supply the addressees with, an easy to forward, advertising content (e.g. to their friends).

While considering options for the Internet applications in activities related to direct marketing of a travel agency it is also worth paying attention to mailing lists and newsgroups. Both of these media constitute the Internet forum, thus the site for information exchange among the Internet users. Communication process occurs between people interested in the same subject matter, e.g. tourism. A very important issue, in this case, becomes the anonymity of users, which positively favours freedom of opinions and prompt reception of feedback information.

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[8] *Ibidem*, p. 205.

[9] *Marketing w Internecie*..., p. 93.

Having considered the criterion of technical organisation, the Internet forums can be divided into:[10]

- mailing lists – participants exchange e-mails. A conference gathering people around a given topic usually has one mailing address and a letter sent to this address reaches all its subscribers.[11]
- newsgroups – participants take advantage of the so-called news server, i.e. the computer which stores individual topics of debates in progress.

Newsgroups are, as a rule, more open than mailing lists. This means that messages submitted there (posts on mailing lists or news on newsgroups) are freely accessible for each Internet user, whereas access to a mailing list is possible on approval by the list administrator only. The interested customer has to register to the mailing list,[12] whereas newsgroups represent an open forum allowing everyone to submit a messages and discuss the current topics.

Both, mailing lists and newsgroups constitute virtual communities bringing users of similar interests together. They make the exchange of opinions and information concerning the specific subject easier for their users, exempting them from numerous activities that otherwise would have to be done in order to contact other people with similar interest. It is highly valuable for a travel agency to take advantage of debates going on among its current and/or possible customers, since they can supply it with a lot of significant pieces of information concerning brand perception, or the carried out promotional campaigns, evaluation of competitive products, or the reasons for consumers' behaviour. On the basis of information collected directly from customers it becomes possible to adjust the offer and service quality of a travel agency to customers' requirements. The potential of such tools consists, mostly, in their power as an opinion-forming forum.

When mailing lists and newsgroups are used, it is recommended to moderate them, which means active participation consisting in explaining of false or inaccurate pieces of information about a given travel agency, performed by the specially assigned employee (so-called moderator, i.e. a person responsible

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[10] *Komunikowanie się w marketingu*..., p. 224.

[11] Cf. A. Dejnaka, *op.cit.*, p. 135.

[12] In case of a mailing list everything is carried out by means of electronic mail: the list of subscribers e-mail addresses of is stored on the central server by means of which messages are sent to members. If a user wants to ask or answer a question, they are introduced to a server outbox and then sent to all addressees from the list.

for the information to be found there). This person can secure the website against the appearance of letters from people expressing negative opinions about the travel agency or trying to use its activities for their own promotional purposes.[13] The appropriate form of active participation in mailing lists or newsgroups is usually perceived favourably, obviously on condition that the travel agency will avoid presenting information of promotional nature when submitting messages to mailing lists.[14] Since most of the lists and newsgroups operate on fully purist basis and the compliance with the rules of so-called netiquette (etiquette in the Internet) is strictly required.[15]

Chat rooms are the sites specially created in the Internet in which real-time discussion is possible,[16] with numerous users (on condition they meet at the same time on the given webpage). Travel agency can take advantage of such conferences by locating them on its websites, and then get a lot of information from this source, e.g. opinions of customers about services rendered by the agency, etc. Such discussion allows getting acquainted with the opinions of customers and has favourable effect on the image of travel agency.

A travel agency can announce, by means of its website, that the specified topic will be discussed at a given date. An example is a discussion with famous a traveller arranged by a travel agency. The user gets an opportunity to join the discussion at the appointed date and ask questions. After the discussion is finished its transcription should be placed by the travel agency on its website to allow these Internet users who were not able to participate, to get acquainted with it.

3. Non-standard forms of promotion in the Internet

Owing to the increasing universality in applying tools of main stream Internet advertisement, like banners or messages sent by means of electronic mail, travel agencies should also look for non-standard forms of promotion in

[13] Cf. A. Dejnaka, *op.cit.*, p. 136.

[14] B. Dobiegała-Korona, T. Doligalski, B. Korona, *op.cit.*, p. 205.

[15] Cf. *Komunikowanie się w biznesie* [Communication in business], ed. H. Mruk, Wydawnictwo Akademii Ekonomicznej in Poznań, Poznań 2002, p. 200.

[16] More broadly in A. Dejnaka, *op.cit.*, p. 136 and subsequent.

the Internet, which will provide them with a chance to become efficiently distinguished from the competition at the target market.

The whole monitor screen can be used as an advertising medium and travel agencies can take advantage of interactive gadgets like screensavers or wallpapers in their Internet activity. Screensaver is the program which operates when the computer user is inactive. Energy saving is the primary objective for using a screensaver. Screensavers evolved from graphically poor applications towards multimedia programs, often containing animations, sound, or even games. Wallpaper is the graphic file or webpage shown at the customer's desktop. Implementation of a travel agency logo or any other reference to its graphic visualisation results in interactive gifts becoming a promotional tool irrespective of their initial function. Most often these applications constitute a friendly form of advertisement, since the user decides to download them and takes advantage of them in the form of attractive visual effects. Wallpapers and screensavers can prove useful creating travel agency's image or strengthening its relationships with customers. Their effect is hard to measure, but it is possible to find the number of downloads and on this basis make estimations of this tool's range.

Games of various type present another form of interactive gifts that can be used by travel agencies. The role of games in interactive marketing is defined as "advergaming". By means of a skilful connection of entertainment or education and brand elements it results in strong relationship between a travel agency and a customer – the Internet user. Games also allow travel agencies also for product placement, especially in the situation when their plot takes place in destination locations or accommodation facilities offered to customers. Until now, this tool has not been commonly used by Polish tourist companies, therefore an agency using it as first may expect a bonus for being innovative.[17]

An interesting form of promotion to be used by a travel agency is changing the traditional cursor outlook into another one, for instance the travel agency's logo. As a result the customer surfing the website can see the travel agency logo, moreover he/she depends on it and can not ignore it. Such a form of promotion is characterised by an intensive, however, short-lived contact with a customer. It is recommended, in particular, for travel agencies which are well-known and recognised in a given target group.

[17] B. Dobiegała-Korona, T. Doligalski, B. Korona, *op.cit*., p. 198.

Travel agency can place advertising movies on its website intending them to be downloaded, watched and then forwarded by the Internet users. Such movies, created for the Internet purposes, have to be very attractive for users, because an advertiser is very particular about forwarding the movie and not just watching it. As compared to TV movies, an advantage here is the lack of limitations referring to eroticism or political correctness, typically imposed on TV commercials.

Conclusions

Among possible objectives to be achieved by a travel agency advertising campaign in the Internet, there are as follows

- image objectives (more favourable perception of an agency and/or its products, increase in brand consciousness, launching a new product onto the market),
- increase in sales, both via the Internet and outside it,
- increase in the number of website visits,
- performing a specific action by customers – the Internet users.[18]

In case of image campaigns it is recommended to use advertising banners, considering their strong potential in creating a brand and low insistence, as compared to other forms of advertisement. The interstitial and superstitial advertisements types can be used for short-term strengthening of transmission, by setting, if possible, emission limits per user.

Mailing is an efficient solution for stimulating sales increase in case of these tourist services where information plays a great role. Skilful use of browsers is an efficient method for attracting new customers in a long run, in particular at such a competitive market. Furthermore, travel agency can use advertisements appearing in a separate window (pop-up and pop-layer) to inform about discounts or special offers.

It can be most likely stated that the accomplishment of a selected action (e.g. purchase, newsletter subscription, downloading a commercial, screensaver or wallpaper, sending an e-card, etc.) by customers will usually take place at the travel agency's website. Therefore, the properly designed and administered

[18] *Ibidem*, p. 200 and subsequent.

website can support activities regarding: winning new customers, image formation, services promotion, sales support, entering into a dialogue with customers, and collecting customer data.[19] Thus, it is necessary to make sure the Internet users visit the site and are encouraged to perform the action by means of information and banners placed on the site, or advertisements appearing in a separate window while leaving the webpage.

Web positioning is the most efficient way of attracting users from a given target group. This means presence in searching systems and catalogues, supported by obtaining a favourable position resulting form browsing by means of an appropriate key word. It is confirmed by the results of inquiry among tourists- users, published in the recent report by Google Polska "Tourist products and services in the Internet" pointing at the fact that the importance of search engines in the process of tourist products and services purchasing has considerably increased in 2007, when 92% of tourists, the Internet browsers, used search engines to look for tourist products[20] and such devices are now treated not only as the source of information, but also as an indispensable element of the decision-making in finalizing the purchase.

Website traffic can be, in a short run, generated by means of mailing. The use of viral marketing also represents an efficient method. Users recommend the site to their friends with the help of "Recommend to the friend" window, or by sending materials containing brand and/or product elements in them via e-mail.

REKLAMA INTERNETOWA OFERT BIUR PODRÓŻY

Streszczenie

W artykule zaprezentowano najbardziej popularne narzędzia internetowej reklamy produktów turystycznych, jakie w praktyce mogą wykorzystywać biura podróży. Scharakteryzowano istotę oraz podano praktyczne przykłady wykorzystania *bannerów*, *mailingu*, *newsletterów*, pocztowych list dyskusyjnych, grup dyskusyjnych oraz *chat roomów* w marketingowej działalności biur podróży w Polsce.

[19] *Ibidem*, pp. 162–170.

[20] A. Kalinowska, A. Kwaśniewski, *Produkty i usługi turystyczne w Internecie* [Tourist products and services in the Internet], Google 2008, p. 13.

SCIENTIFIC JOURNAL

No. 574 SERVICE MANAGEMENT Vol. 5 2009

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DESTINATION COMPETITIVENESS AND INTER-ORGANIZATIONAL RELATIONS COMPETITIVENESS PARADIGM. CHALLENGES OF APPLICATION

1. Introduction

The concept of tourism destination competitiveness is usually presented in an approach characteristic for regional economics where this term is connected with ability to create a competitive offer or even wider, to develop tourism and by tourism in a sustainable way. However it is not the only possible approach to this concept. The tourism market characterized with growing, fierce competition calls for more entrepreneurial approach. In many works tourism destination is not defined as a separated part of space but rather the metaphor of a company or a network of companies is being used.[1] In such an approach the output of business science might be implemented to the management process at the level of destination and the term destination competitiveness is much more

[1] A. Flagestad, C.A. Hope, *Strategic Success in Winter Sports Destinations: A Sustainable Value Creation Perspective*, "Tourism Management" 2001, 22 (4); T. Bieger *Reengineering Destination Marketing Organizations – The Case of Switzerland*, "Tourism Review" 1998, 53 (3); Y. Wang, Z. Xiang, *Toward a Theoretical Framework of Collaborative Destination Marketing*, "Journal of Travel Research" 2007, 46 (1).

linked with the success in the tourism market.[2] In this approach we might also accept the definition of destination competitiveness as an ability to compete successfully on the free tourism market.

Traditional concept of sources of competitive advantage as presented by Porter[3] is based on the rational paradigm. However, customer decision making in tourism is not a fully rational process with strong influence of fashion or snobbism effect and situational factors.[4] Customer decision making in tourism is usually explained on the ground of behavioral paradigm.[5] From the other side, most of presented models of destination competitiveness is rooted in Porter's work and rational paradigm and problem of customer decision making is not present there. This might lead to skipping comparative character of competitiveness and to evaluation of competitiveness level as a nonrelative term eg. analyzing level of competitiveness of a single destination.[6]

Another problem with proper understanding of destination competitiveness within presented business approach is the fact that most researchers look for inspirations in well established schools of strategic management – namely Industrial Organization (IO) and Resource Based View (RBV).[7] However, since several years main paradigms of those two schools were questioned by suppor-

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[2] A. d'Hauteserre, *Lessons in Managerial Destination Competitiveness in the Case of Foxwoods Casino Resort*, "Tourism Management" 2000, 21 (1).

[3] M.E. Porter, *Competitive Advantage. Creating and Sustaining Superior Performance*, The Free Press, New York 1985.

[4] A. Woodside, S. Lysonski, *A General Model of Travel Destination Choice*, "Journal of Travel Research" 1989, 27 (4).

[5] B. Goodall, *How Tourists Choose Their Holidays: An Analytical Framework* in: B. Goodall, G. Ashworth, *Marketing in the Tourism Industry. The Promotion of Destination Regions*, Routledge London–New York 1988; A. Decrop, *Vacation Decision-Making*, CABI Publishing Willingford 2006; P. Kent, *People, Places and Priorities: Opportunity Sets and Consumers' Holiday Choice*, in: *Marketing Tourism Places*, ed. G. Ashworth, B. Goodall, Routledge New York–London 1991; A. Woodside, S. Lysonski, *op.cit*.

[6] See for example: J.A. Jonker, *The Strategic Identification of Critical Success Factors to Achieve International Competitiveness for South Africa as a Tourism Destination*, Doctoral thesis. Pretoria: University of Pretoria, Pretoria 2003; L. Dwyer, Ch. Kim, K. Choi, B. Faulkner, R. Mellor, Z. Livaic, *Destination Competitiveness: Development of a Model With Application to Australia and Republic of Korea*, Sidney–Korea Tourism Research Institute, Ministry of Culture and Tourism, Australia–Korea Foundation 2001; D.G. Omerzel, *Competitiveness of Slovenia as a Tourist Destination*, "Managing Global Transitions" 2006, 4 (2).

[7] A. Flagestad, C.A. Hope, *op.cit*.; L. Dwyer, C. Kim, *Destination Competitiveness: Determinants and Indicators*, "Current Issues in Tourism" 2003, 6 (5); J.R.B. Ritchie, G.I. Crouch, *Destination Competitiveness. A Sustainable Tourism Perspective*, CABI Publishing, Willingford 2005.

ters of new competitiveness paradigm based on inter-organizational relations (IR).[8] The main aim of this paper is to support the idea that, due to its special features, the tourism market, especially competing with each other tourism destinations, are among the best examples were IR concept should be used. However, there are some constraints of implementation of IR into tourism destinations ground which are also to be acknowledged.

1. Customer value creation and competitiveness – IR view

1.1. Criticism of Porter's value chain logic

Successful market performance is connected with attracting desired tourist segments which means persuading tourists to choose our offer instead of competitors' ones. The concept of evoked set[9] based on behavioral approach gives convincing explanation of the process of selecting an offer from the opportunity set however does not cover clearly the reasons why exactly the selected offer was chosen. In other researches customer value was described as the best predictor of tourists market behavior[10] which might lead to the conclusion that the competitive destination is a one which provides visitors with higher customer value than competitors. Though the customer value might be named as a next source of competitive advantage.[11]

If providing customer value lies at the base of destination competitiveness the question how to ensure high level of both expected and received value have

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[8] R. Gulati, N. Nohria, A. Zaheer, *Strategic Networks*, "Strategic Management Journal" 2000, 21 (3).

[9] A. Woodside, S. Lysonski, *op.cit.*; S. Um, J. Crompton, *Attitude Determinants in Tourism Destination Choice*, "Annals of Tourism Research" 1990 17 (3); S. Pike, *Destination Decision Sets: A Longitudinal Comparison of Stated Destination Preferences and Actual Travel*. "Journal of Vacation Marketing" 2006, 12 (4); A. Decrop, *Vacation Decision-Making*, CABI Publishing, Willingford 2006.

[10] A. Parasuraman, *Reflections on Gaining Competitive Advantage through Customer Value*, "Journal of the Academy of Marketing Sciences" 1997, 25 (2); A. Parasuraman, D. Grewal, *The Impact of Technology on the Quality-Value-Loyalty Chain: A Research Agenda*, "Journal of the Academy of Marketing Sciences" 2000, 28 (1); J.F. Petrick, *The Roles of Quality, Value and Satisfaction in Predicting Cruise Passengers' Behavioral Intentions*, "Journal of Travel Research" 2004, 42 (4).

[11] R. Woodruff, *Customer Value: The Next Source for Competitive Advantage*, "Journal of the Academy of Marketing Science" 1997, 25 (2).

to arise. The most traditional answer for such a question is connected with Porter's value chain concept.[12] This concept lies at the heart of Industrial Organization (IO) theory. This view strives for competitive advantage from external sources however environment is perceived here to be hostile and a company has to defeat competitors but also deliverers and customers in competition for profits. This is illustrated by the so called Porter's concept of 5 competitive forces.[13] Oppositely to IO, Recourse-Based View (RBV) concept looks for competitive advantage in internal recourses and capabilities.[14] However, the image of atomistic actors competing for profits against each other in impersonal marketplace provided by both IO and RBV is increasingly inadequate in a world in which firms are embedded in networks of social, professional and exchange relationships with other organizational actors.[15] This new situation calls for new competitive advantage paradigm based on inter-organizational relations (IR).

There are two main mutually interlinked arguments against the validity of Porter's value chain in contemporary marketplace. The first raised by Normann and Ramirez[16] (1993) and developed by Prahalad and Ramaswamy[17] is connected with changing role of customer in contemporary marketplace. Especially due to internet development, customers are more conscious of their power, are well informed and organized in consumer groups and expect to be taken into the consideration in value creation process. Observation of this phenomenon in practical examples enhanced Prahalad and Ramaswamy to change traditional idea of creating value for customer into creating value with customer, which means active participation of customer in preconsumption phases of production process. Presented statements suggest that value creation process should not be treated as sequential any more.

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[12] M.E. Porter, *op.cit.*

[13] M.E. Porter, *Competitive Strategy. Techniques for Analyzing Industries and Competitors*, The Free Press, New York 1980.

[14] M.A. Peteraf, *The Cornerstone of Competitive Advantage: A Recourse-Based View*, "Strategic Management Journal" 1993, 14 (1); J. Barney, *Firm Resources and Sustained Competitive Advantage*, "Journal of Management" 1991, 17 (1).

[15] R. Gulati, N. Nohria, A. Zaheer, *op.cit.*, p. 203.

[16] R. Normann, R. Ramirez, *From Value Chain to Value Constellation: Designing Interactive Strategy*, "Harvard Business Review" 1993, 71 (4).

[17] C.K. Prahalad, V. Ramaswamy, *The Future of Competition. Co-creating Unique Value with Customers*, Harvard Business School Press, Boston 2003.

Second mainstream of the value chain critique questions the way in which a company's environment is perceived. According to IO a company competes for profits with competitors as well as with customers and deliverers. Porter's model of 5 competitive forces presents situation in which company is able to maximize its profits when it has power to capture more value added by selling a product than its partners in a value system. Competitive relations connect then not only competitors but also cooperators and the rule "the more for you the less for me" is valid in all relations within a value system. RBV have not changed radically this hostile perception of environment underlying the competition between companies for access to valuable, rare, inimitable and well organized resources.[18] IR, however closely related to RBV, changes this perception totally. The role of non-competitive relations is underlined here. This includes relations not only with customers and deliverers and other partners from value system but also, in some cases, with competitors. However, up till now, IR do not stand for a new, clear competitive advantage paradigm as the concept is not fully coherent including a big variety of approaches worked by different sciences, mainly business, economics and sociology.

Both presented above arguments might be debatable and their validity might be different in different markets.[19] However, they are crucial for understanding of value creation process in tourism destination as a the tourism market might be a perfect example of a market where value co-creation and IR ideas might and should be implemented due to several features of tourism destination's product and the character of relations linking various actors in the tourism stage.

The theoretical literature on IR is fragmented with several disciplines contributing to the field. Tourism researchers trying to implement it into tourism destination ground point out several theories or microtheories,[20] which might be valid. Transaction costs, resource dependence theory and networking theory (NT) are mentioned the most often.[21] Especially the last one seems to be the

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[18] J. Barney, *op.cit.*

[19] C.B. Stabell, Ø. Fjeldstad, *Configuring Value for Competitive Advantage: On Chains, Shops and Networks*, "Journal of Strategic Management" 1998, 19 (5).

[20] P. Beritelli, T. Bieger, C. Laesser, *Destination Governance: Using Corporate Governance Theories as a Foundation for Effective Destination Management*, "Journal of Travel Research" 2007, 46 (1), p. 97.

[21] Y. Wang, Z. Xiang, *op.cit.*; P. Beritelli, T. Bieger, C. Laesser, *op.cit.*

very promising options when analyzing tourism market as tourism might be described as a network industry par excellence.[22] Support for this claim is found in the definition of tourism as system where interdependence is essential[23] and collaboration and cooperation between different organizations within a tourism destination creates the tourism product.[24] In this way, local alliances, agreements and other formal and informal governance structures help to compensate for the fragmented nature of a tourism destination.[25] Networking theories has been suggested as a way to better understand ongoing marketing activities and processes aiming to develop a business.[26] Buhalis indicates that most destinations consist of networks of tourism suppliers and that the benefits of such networks include a more profitable tourism destination.[27] A second reason for study of networks as a central part of tourism is that they form a basis for collective action. In tourism, many of the main resources of a tourism destination are community "owned" that are used jointly to attract tourists. These may be physical resources such as beaches, lakes, scenic outlook, national parks and beaches; built resources such as museums, art galleries and heritage buildings; or intangible resources such as destination brands or the reputation for friendliness of local people. Such collective action does not necessarily require a network organization but in a situation with a general lack of resources and where decisions related to tourism are not often seen within the government mandate, the response is often a network of interested stakeholders.[28]

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[22] N. Scott, C. Cooper, R. Baggio, *Use of network analysis in tourism research*, Paper Presented During the International Conference *Advances in Tourism Marketing. Destination and Event Marketing: Managing Networks*, Valencia 10–12.09.2007, p. 7.

[23] P. Bjork, H. Virtanen, *What Tourism Project Managers Need to Know About Cooperation Facilitators*, "Scandinavian Journal of Hospitality and Tourism" 2005, 5 (3).

[24] H. Pechlaner, D. Abfalter, F. Raich, *Cross-Border Destination Management Systems in the Alpine Region – The Role of Knowledge Networks on the Example of Alpnet*, "Journal of Quality Assurance in Hospitality & Tourism" 2002, 3 (3/4); A. Fyall, B. Garrod, *Tourism Marketing. A Collaborative Approach*, Clevedon: Channel View Publications 2005.

[25] N. Scott, C. Cooper, R. Baggio, *op.cit.*, p. 8.

[26] Y. von Friedrichs Grängsjö, *Networking Tourism Entrepreneurs and the Role of Social Capital*, Paper presented during the International Conference *Advances...*, p. 2.

[27] D. Buhalis, *Marketing the Competitive Destination of the Future*, "Tourism Management" 2000, 21 (1).

[28] N. Scott, C. Cooper, R. Baggio, *op.cit.*, p. 8.

1.2. Customer value and competitiveness models

Within IR competitiveness paradigm questioning Porter's value chain logic, some new models of customer value creation are offered. Among them Parolini's value net model,[29] Stabell and Fjeldstad's model of three value configurations[30] and Normann and Ramirez's model of value constellation[31] are the most popular. The rare example of a new model of value creation in tourism based on IR is the value fan model by Flagestad and Hope.[32] Flagestad and Hope based their model on Porter's value chain and works of Stabell and Fjeldstad. Traditional division on primary and supporting activities is continued in the value fan model, however the set of both primary and supplementary activities were adjusted to mirror specific features of the tourism product. The most important assumption is escape from Porter's sequential logic of value creation, though instead of successive links the "fan" of primary activities which "radiate" simultaneously is presented. The strongest recollection to IR is the fact that particular primary activities are delivered by many different entities. Each company in a destination has its own goals and vision of success but they are interlinked by externalities of their actions. So the management should acknowledge the need for maximalization of positive externalities and minimalization of negative ones. Visitor's stay in a destination and destination product's consumption is a set of ongoing choices made by a visitor. There is no such a situation that destination product is sequentially sold, delivered and consumed. Activities connected with product delivery are simultaneous, mixed in time with marketing activities aimed to the future consumer choices during his/her stay in the destination. As Normann and Ramirez state "*The goal is not to create value for customers but to mobilize customers to create their own value from the company's various offering*".[33] Exchanging a word "company" by a "destination" in above statement makes very purposeful sentence, but the role of consumer in product and value creation in tourism destination is even higher then in case of a company like IKEA in example presented by Normann and Ramirez.

[29] C. Parolini, *The Value Net. A Tool for Competitive Strategy*, Wiley, Baffins Lane 1999.

[30] C.B. Stabell, Ø. Fjeldstad, *op.cit.*

[31] R. Normann, R. Ramirez, *op.cit.*

[32] A. Flagestad, C.A. Hope, *op.cit.*

[33] R. Normann, R. Ramirez, *op.cit.*, p. 69.

A visitor not only chooses a company to deliver him/her services of a given kind (e.g. accommodation, gastronomy, transport, etc.) but also chooses which kind of activities he/he is going to make use at all. All those choices are crucial for competitive position of entities localized in the destination. Also the "quality" of those choices will influence strongly the post-consumption evaluation of visitor's stay in the destination.[34]

The value fan model originally devoted to explanation of value creation in specific destinations e.g. winter sports destinations, have to be reconsidered to be accepted as a general model of value creation in destination. The first problem is connected with the selection of primary and supporting activities. All pointed primary activities are under responsibility of private sector while supporting ones are typical actions of public side. Especially omitting the role of public sector in primary actions cannot be acceptable in destinations of other types where use of free goods, like walking in a forest, resting on a beach, visiting old monuments, are main visitors' motivation to come. The proper preparation and making accessible of those goods is an important primary activity and is under public sector responsibility. What is more, based on the firm metaphor of a destination and value models created for firm management, the value fan model does not acknowledge many challenges sourcing from special character of tourism product and market which calls for special approach in implementing business theories, even those coming from IR theory, into the ground of a tourism destination. Some of those challenges are presented further on in this paper. Finally, the value fan model is devoted to presentation of value creation since the moment a customer have arrived to a destination and do not cover the problem of expected value creation which have to be recognized for fully understanding of destination competitiveness.

2. Special challenges to implementation of IR into the ground of tourism destinations

Even though IR picture of competitiveness reflects well problems of building sustainable competitive advantage in tourism destinations market, there are some important challenges to be acknowledged in the process of implementa-

[34] S. Smith, *The Tourism Product*, "Annals of Tourism Research" 1994, 21 (3).

tion of business originated concept into destinations ground. Among them spatial embeddedness and non-voluntary character of membership in network, crucial role of free goods in product creation, predominance of SMEs in a destination network, differences between particular destinations and difficulty in setting clear boarders between networks will be discussed here as the most influential ones.

2.1. Spatial embeddedness and non-voluntary character of network membership

One of the most prominent dilemma which have to answered by a company in IR view is to enter the network or not.[35] Usually in networking theory (NT) a company has a free choice of network it is going to join and if it is going to join any network at all. Tourism companies in tourism destination do not have such a choice. Regardless of their willingness to collaborate within the network they are interlinked with other entities involved in destination product preparation. This spatial embeddedness changes radically rules of cooperation. According to NT a company which is disappointed by the results of its network membership might quit and search for another partners. Such a decision is more or less difficult to implementation, however possible. Tourism companies in a destination are somehow "condemned" for cohabitation. A company cannot "escape" from partners if they behave hostile or irresponsible and from a network if it is inefficiently organized and managed. A company, even if it does not perceive itself to be a network member and do not collaborate actively with other entities, is under the influence of the network actions and other companies actions as well as the network is influenced by this company.

Spatial embeddedness of tourism companies might be reflected by the Porter's cluster concept.[36] Tourism destinations were from the very beginning a tempting area of implementing the cluster theory. Porter, giving examples of clusters identified by him and his colleagues, provided some examples of tourism clusters. Further on, Jackson and Murphy gave a comprehensive lecture about possibilities and advantages of such utilization.[37] Many rese-

[35] K. Möller, S. Svahn, *Managing Strategic Nets. A Capability Perspective*, "Marketing Theory" 2003, 3 (2).

[36] M.E. Porter, *Competitive Advantage of Nations*, The Free Press, New York 1990.

[37] J. Jackson, P. Murphy, *Tourism Destinations as Clusters: Analytical Experiences from the World*, "Tourism and Hospitality Research" 2002, 4 (1).

archers then implemented cluster analysis into tourism destinations ground.[38] However the cluster concept have to be implemented into destination ground very carefully as tourism destinations do not fit exactly to typical picture of cluster presented in the literature. The most important difference is connected with sequential character of product creation in industrial clusters as Silicon Valley, Italian fashion cluster or forestry cluster in Sweden.[39] The cluster is usually formed by a chain of suppliers and industrial customers with exactly visible single company (or together with several similar competing companies) which is responsible for a final product and which sells it to the final customer. Even, taking into the consideration the fact that usually in a cluster there are many different products that are produced and almost each of them is offered by a company of a different type, this situation is not similar to what can be seen in a tourism destination where all network members produce only a part of service potential embracing wide scope of offers from which a final customer – a visitor builds a product for himself/herself. Too simple interpretation of cluster concept into tourism ground was also criticized to be too much business oriented and omitting the fact that cluster members – tourism companies usually are unable to produce themselves the reason for tourist to come. This role is usually played by tourism goods, often free goods and cluster implementation might lead to marginalization their crucial impact.[40]

2.2. Crucial role of free goods

Not only Porter's cluster but also other business originated theories have difficulties with proper acknowledging the importance of free goods in tourism market. This includes NT and RBV. The very first problem which have to be underlined on the base of this statement is the role of public sector in tourism product creation as presented here when analyzing the value fan model. Future research should include the answer to the question what are the consequences

[38] S. Nordin, *Tourism Clustering and Innovation*. ETOUR, Mid-Sweden University, Oestersund 2003; D.E. Hawkins, *A Protected Areas Ecotourism Competitive Cluster Approach to Catalyze Biodiversity Conservation and Economic Growth in Bulgaria*, "Journal of Sustainable Tourism" 2004, 12 (3); J. Jackson, P. Murphy, *Clusters in Regional Tourism: An Australian Case*, "Annals of Tourism Research" 2006, 33 (4).

[39] M.E. Porter, *On Competition*, Harvard Business School Press, Boston 1998.

[40] S. Hassan, *Determinants of Market Competitiveness in an Environmentally Sustainable Tourism Industry*, "Journal of Travel Research" 2000, 38 (3).

of the fact that external resources used by tourism companies are rather free resources which can be used simultaneously by many companies, whereas resources dependency theory underlines mostly the possibilities of use of external resources belonging to other companies, especially resources which are not available for other competitors. Establishing a research approach allowing to consider public sector as a free resource holder and relation between local actors and free resources seems to be one of the most important task for tourism researchers looking for IR paradigm into tourism destination ground.

2.3. Predominance of SMEs in a destination network

There are a lot of evidence in the tourism literature that tourism is a SMEs dominated industry.[41] Additionally, literature on IR often deals with big companies collaboration which makes described there rules not fully relevant to the SMEs dominated tourism sector. There are several consequences of SMEs domination in tourism destinations. From the one side, SMEs should be especially interested in collaboration participation as this might weaken their market constrains resulting from their scale and limited financial resources.[42] A micro-firm like a family company from accommodation business might be promoted world-wide thanks to destination network participation. This is only one of numerous examples of possible benefits. However SMEs dominated industry makes also many difficulties and constraints in cooperation and network formation. They are mostly connected with the big quantity of entities which are or should be embraced by a network. The more companies are involved in a network the more difficult management, especially setting common goals for a network as a whole. Competitive relations existing between SMEs and their differentiation (e.g. companies offering visitors different services and goods) make setting the goals even harder. Small scale of operation is usually also connected with very low level of immaterial resources, especially knowledge, which eventually leads to lack of professional management. In small family run companies usually managed by the founder who also works at the front desk

[41] M. Woods, J. Deegan, *A Warm Welcome for Destination Quality Brand: The Example of Pays Cathare Region*, "International Journal of Tourism Research" 2003, 5 (4); F.M. Go, J. Appelman, *Achieving Global Competitiveness in SMEs by Building Trust in Interfirm Alliances*, in: *Tourism in the Age of Globalization*, ed. S. Wahab, C. Cooper, Routledge, London 2001.

[42] *Ibidem*, p. 193.

there is no space for manager post. In other words, it is more difficult to persuade small firm holders to enter cooperation as they have not enough professional management knowledge to understand properly possible benefits. SMEs are also much more vulnerable for bankruptcy as well as new companies are created frequently, so the list of companies participating in a destination network is not stable.

2.4. Differences between particular destinations

It is difficult to establish common rules of implementation of any competitive advantage paradigm into the ground of tourism destinations as destinations differ from one another a lot. In case of some destinations like big cities the statement about predominance of SMEs could not be relevant. Instead problem of cooperation of hotels membering in worldwide hotel chains may appears. Different destinations offer different products and deal with different markets. Then it is very probable that ideas efficient in one destination might not be proper for another one. Different destinations might need different modifications of IR when implemented.

Among the most popular division between destinations is the one pointing the community and the corporate models of destinations.[43] Community model reflects a situation common in most of European tourism destinations where a big number of small-sized, mostly local companies are involved in tourism product development. Additionally, the role and involvement of local government are relatively high. Oppositely, corporate model concerns destinations of rather Northern American style with unquestioned leadership of large, often external, corporation in destination development. Structure of management in this case is much more similar to company management and is more integrated, hierarchical and centralized than in community model destinations.[44] Beritelli et al claim that NT is the proper approach to IR in case of community model destinations while dyadic resource dependency theory explains correctly relations within corporate model destinations.[45] However it might be questionable if,

[43] A. Flagestad, C.A. Hope, *op.cit.*; P. Beritelli, T. Bieger, C. Laesser, *op.cit*.

[44] A. Flagestad, *Strategic Success and Organisational Structure in Winter Sports Destinations. A Multiple Stakeholder Approach to Measuring Organizational Performance in Scandinavian and Swiss Case Studies*, ETOUR, Östersund 2002, p. 4–32.

[45] P. Beritelli, T. Bieger, C. Laesser, *op.cit*., p. 97.

even in large company dominated destinations where other companies play roles of leader's satellites, relationships between those satellites do not exist or do not play important role in destination competitiveness. Still, even if this is accepted, it is probable, that dyadic relationships between focal company and particular satellite firms would be mutually interrelated.[46] Then, instead of simply dyadic perspective, the Jarillo's concept of network with the hub firm[47] would better suit to corporate model destinations. But this argument do not change the fact that management in corporate and community model destinations should engage different IR approaches as Jarillo's hub firm network do not fit the community model.

Also destinations attracting different tourism markets have to deal with their different features and with different customers' behavior which might need different organization of the local tourism network. This could include long-haul versus short break holidays or leisure versus business tourism destinations.

2.5. Difficulty in setting clear boarders between networks

One of important argument raised by IR supporters is difficulty in setting exact borders of companies. Outsourcing and resource dependencies made resources and activities crossing companies' borders. Instead we should analyze competitiveness of networks. It is surprising then that IR is vulnerable to repeat the same mistake, however on the level of a network. In many cases the whole network approach, very suitable for a tourism destination analysis, leads to treating a network of collaborating entities as well separated from the environment closed system acting on a market in similar way like a Porter's value system. Such an approach is not suitable for tourism destinations analysis for at least three reasons. The first, is connected with hierarchical structure of tourism destinations. A single destination may consist of many smaller destinations. Several communities form a tourism region, several regions make a country etc. Acting on different markets needs different definition of the destination within which we are. The most obvious reason for this is differentiated perception of tourism destinations held by visitors which is usually, but not only, connected with the distance between visitor's residence place and the destination.

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[46] Y. Wang, Z. Xiang, *op.cit*., p. 76.

[47] J.C. Jarillo, *On Strategic Networks*, "Journal of Strategic Management" 1998, 9 (1).

For people traveling from the nearby the destination can be a single settlement, while for tourists from overseas markets this is usually the whole country. This links neighboring destinations in coopetition ties in the same manner as tourism companies within a single destinations are connected. Acting on many markets needs the destination's ability to cooperate with the neighbor on one market while competing with it on the others. What makes this relation even stronger is the fact that destinations delimited with regard of supply perspective do not reflect a perspective of particular visitors. Visitors during their stay in one destination often visit also neighboring areas which means that having a neighboring destination with very competitive offer might not necessary be only a threat but also poses opportunities for the destination.

Secondly, many tourism entities, including both companies and localities, might simultaneously participate in more that one destination which is the result of the fact that destinations are formed with use of different criteria of delimitation. This makes problem of competition and cooperation between destinations even more complex.

Finally, a destination's product is being formed not only by internal entities, but also external stakeholders' role have to be acknowledged. Some of them, like investors, might be treated as durably connected with a destination, however there are many which cooperate within destination's product creation and marketing only accidentally. This might include tour-operators and companies like breweries, sport equipment producers or others who conduct common promotional campaign with the destination. In some cases they may cooperate with the destination as whole, but also they collaborate with distinct companies within the destination.

Conclusions

Tourism destinations are special kind of networks and cooperation processes are crucial for their success. Accepting above statement makes researchers and practitioners looking for the best approach for creating sustainable competitive advantage on the tourism market within IR theory. Presented differences between traditionally understood companies networks and tourism destinations however make such an implementation difficult and full of traps. Unfortunately contemporary literature do not offer detailed description of the

proper way of such a implementation. Presented paper points some of major problems with this implementations, however further research should be connected also with the search of best solution respecting presented here constraints.

KONKURENCYJNOŚĆ OBSZARÓW RECEPCJI TURYSTYCZNEJ A PARADYGMAT PRZEWAGI KONKURENCYJNEJ OPARTEJ NA ZWIĄZKACH MIĘDZYORGANIZACYJNYCH

Streszczenie

W artykule wskazano na potrzebę nowego podejścia do zarządzania konkurencyjnością obszarów recepcji turystycznej czerpiącego podstawowe idee z coraz powszechniej akceptowanego na rynku przedsiębiorstw paradygmatu przewagi konkurencyjnej opartego na związkach międzyorganizacyjnych. Branża turystyczna ze swej natury jest przemysłem opartym na współpracy i powiązaniach sieciowych poszczególnych podmiotów. Entuzjastycznie wspierana w literaturze anglojęzycznej koncepcja zarządzania sieciowego w branży turystycznej nie jest wolna jednak od problemów związanych z jej szczególnym charakterem. Powoduje to, że prosta aplikacja zasad opracowanych na potrzeby zarządzania przedsiębiorstwami uczestniczącymi w sieciach relacji jest trudna, a nawet niewskazana. Spośród tych cech za najważniejsze uznano i omówiono: zdefiniowanie przestrzenne sieci i niedobrowolny charakter uczestnictwa w niej, szczególną rolę wolnych dóbr turystycznych, dominację małych, a często bardzo małych przedsiębiorstw w branży turystycznej, zróżnicowanie uwarunkowań na poszczególnych obszarach oraz niemożność precyzyjnego wytyczenia granic między poszczególnymi sieciami.