

ARCHITECTURE OF INNOVATIVE BUSINESS MODELS IN THE SERVICE SECTOR FROM THE PERSPECTIVE OF POLISH TOURISM COMPANIES

MAŁGORZATA BROJAK-TRZASKOWSKA

University of Szczecin, Faculty of Management and Economics of Services, POLAND
e-mail: malgorzata.brojak@wzueu.pl

RECEIVED
ACCEPTED

6 November 2018
3 December 2018

JEL
CLASSIFICATION

M20, M21, O12, O31

KEYWORDS

innovative business models, tourism enterprises, services sector, economic growth and development

ABSTRACT

The subject of analysis conducted in the article consists of discussion of business models (in general) and indication of the specific nature of innovative business models (IBM), with particular focus on their structure (in detail). Complexity and heterogeneity of economy as a whole determined the choice of tourism companies as the perceptive-cognitive, as well as empirical subject of research. Accordingly with the methodological assumption made, economy is treated as a system and tourism – as a subsystem in economy, while tourism companies are business units of this specific subsystem. As for the theoretical dimension of the research project, critical analysis of literature (non-serial publications and periodicals) was conducted. On this basis, as well as through verification of empirical material obtained from own research (survey), a uniform definition of IBM has been proposed, constructed from the perspective of its structural elements, that is, the architecture. It is worth underlining that it was indicated that the specific nature of business activity in tourism determined by characteristics of services as such, including the properties of tourism services, implicates the necessity of an individualized approach (apart from the approach which is universally applicable to economy as a whole) not only to interpretation of the IBM concept, but first of all to forming and implementing of these models in business practice.

Introduction

The main aim of studies, including the scientific aim of the indicated article itself, comes down to build of innovative business models. The research methodic used combines the descriptive and explanatory approach with the normative approach. The research approach assumed in paper was based on the following research methods: critical review of literature, analysis, synthesis and observation.

The scientific considerations expressed in this article pertain to innovative business models in service companies. Due to the complex and heterogeneous nature of the problems being examined, in relation to the sector of services as a whole and business models in the holistic approach, the article is focused on the selected aspects, that is, in the sequence consistent with deduction logic:

1. Exemplification of tourism as an important part of social and economic life, and at the same time a subsystem of economy and a significant part of the sector of service.
2. Polish tourism companies, constituting an important link in tourism economy.
3. IBM being varieties of modern business models, oriented at improvement of competitiveness through innovation.
4. Architecture of innovative business models in the business entities examined.

Research approach

Cognitive and explanatory aspects of the IBM fall into the sphere of theory, while practical aspects associated with the structure and implementation of innovative business models in service companies belong to the sphere of pragmatism.

The methodical and methodological approach applied in this work was based mostly on:

- critical literature studies of the subject, as well as verification through observation,
- the analytical method procedure in relation to structural components of the IBM,
- deductive reasoning for the purpose of constructing conclusions based on the cognitive-empirical process conducted.

Business models based on innovations – results of theoretical studies

Cognitive research on the conceptual scope of a business model lead to conclusions that every company, as a relatively separated system engaged in business activity aiming at generating financial benefits, should build its own theory of business, which, in practice, facilitates achievement of objectives. Such model should express interdisciplinary coherence, as an incoherent business model may indicate a coming crisis or be a symptom of an already existing crisis (Falencikowski, 2012, p. 162). In other words, a business model constitutes the logic of a management system oriented at creation of value (Petrovic, Kittl, Teksten, 2011, p. 2). Thus, it can be assumed it is a description of what the company does to earn profit (Weill, Malone, 2005, p. 15), that is, to generate specific financial revenues (Porter, 2001, pp. 63–78). Like the researchers quoted above, R. Casadesus-Masanell and J.E. Rickart also refer the business model to the logic of functioning of a given entity, the way it operates and the way it creates value for different interest groups (2010, pp. 195–215).

In this context, a business model can be referred to the concept informing what and how a given business entity is planning to achieve over a long-term time horizon. An inherent component of every business model, regardless of the specific nature of the business activity conducted and the structural form of the model itself, should be generating of value. It is a universal attribute, generally applicable in economy, thus also in tourism, and at the same time applicable to the specific type of a business model, which is IBM.

A business model should be perceived, on the one hand, as a theoretical category, that is, a general concept of functioning of business, and on the other hand – as a pragmatic category, referring to a specific manifestation of business practice, such as an enterprise. To make the proposed interpretation more complete, it should be added

that at the core of IBM as a business model is innovation, and the innovative activity itself can be associated with generating value not only for the enterprise, but for its stakeholders as well. In most cases, these are the customers – recipients of services, that is, from the general perspective, the participants of tourist traffic – tourists, and from the detailed perspective – purchasers of tourism services and products offered by a given entity. This category may also include cooperating entities, such as strategic allies and participants of other forms of cooperation. In the case of tourism companies, an important role is played by local communities in the tourist reception locations, as well as entities engaged indirectly in tourism.

Interpreting the IBM, it is necessary to put emphasis not only on generation of value thanks to innovations but also capturing of value, as well as perception of this model as a distinctive logic of activity, based on a well-defined system of interconnected structures and fields of activity. It is worth adding that value creation is aimed at customers, and capturing of value – at the enterprise and its business partners (Sorescu et al., 2011, pp. 3–16; Chesbrough, 2010, pp. 354–363). Thus, the researchers quoted underline utility as the immanent feature of a given business model.

The modern business reality, including the growing importance of the ability of enterprises to respond timely to market changes, determines the necessity to approach flexibly the issues of forming and implementation of IBM, as well as strategies of activity of specific entities. On the other hand, flexibility of activity of an enterprise can be expressed both as the adaptive and the anticipatory approach to change.

The business model is a manifestation of strategic reorientation of enterprises, usually presented in graphic form as a set of dependent components. Most often, it is a static (as opposed to strategy) image of functioning of the company, making it possible to take advantage of its internal potential to adapt to the environment (Nogalski, 2009, p. 2; Macias, 2012, pp. 12–15; Morris, Schindehutte, Allen, 2005, pp. 726–735; Danielak, Lesicki, 2013, pp. 193–198).

Innovative business models as the factor of growth and development of companies

Figure 1 presents a general approach to the issue of company growth and development. The main components forming this approach include:

- typical internal components, such as the mission, vision, structure and strategy of the enterprise, as well as the financial, developmental and organizational dimension of its growth and development,
- typical external components - an environment that promotes development,
- correlations between individual (exo- and endogenous) components, including feedbacks.

Figure 1 indicates clearly the existence of close interactions between business development and growth and the IBM. On the one hand, development processes (their initiation and diffusion) are determined by the fact of development of the IBM. On the other hand, the innovative business model is a specific manifestation of business development and growth, constituting even a factor of improvement of competitiveness from various perspectives, that is:

- for enterprises – on the micro-economic scale of the phenomenon being examined,
- for tourism as a subsystem of economy – on the meso-economic scale,
- for economy as a whole – on the macro-economic scale.

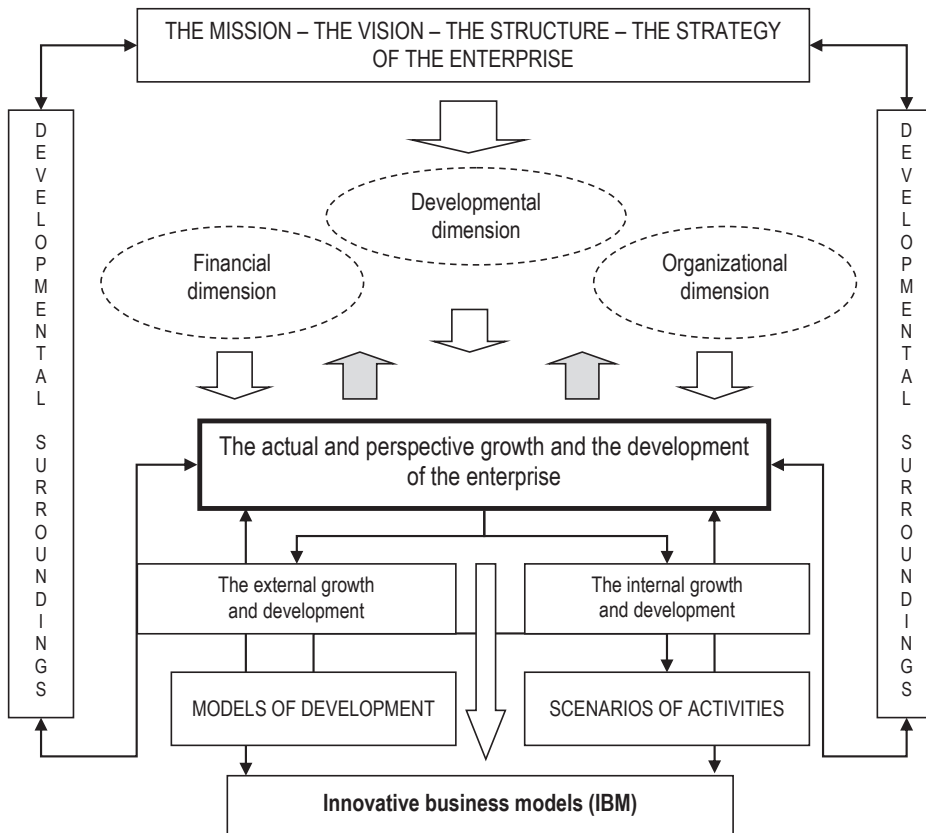


Figure 1. The general approach to the growth and development of the enterprises

Source: own studies.

It is worth adding that:

1. In most cases, enterprise growth is treated as a quantitative category, while its development is perceived as a qualitative one.
2. Both development and growth should be examined in its internal and external dimension. The former dimension pertains to development and growth generated by the environment or implied by relations of a given entity with its external environment, while the latter is associated with the internal potential of a specific enterprise.
3. Innovations are the force behind growth and development of enterprises. Innovative activity in association with a business model constitutes the source of competitiveness in economy.
4. The exemplary measures of increase in competitiveness of enterprises include:
 - e) in the result-based approach – increase in revenues from sale, net profit and correlations between these (the profit margin), increase in profitability of capital and asset profitability, rationalization of costs

(decrease in value of the cost level indicator), maintaining of financial liquidity, improvement in work efficiency etc.;

- f) in the factor-based approach – improvement in quality, diversification or customization of the offer, improvement in effectiveness of cooperation platforms, e.g. information and communication platforms for customers and other stakeholders, facilitating access to new resources and alternative sources of financing of activity (in particular, aimed at development), coordination of the development policy of the enterprise, business ethics etc.

On the basis of theoretical and cognitive studies, it was found that an innovative business model in the sector of services constituted a description of the logic of functioning and development of a service company, focused on creation and accumulation of the value stream for this company, as well as for its stakeholders. Depending on the methodological approach applied and the specific nature of a given business entity, it may constitute a more or less simplified image of business reality, which in practice means a more or less complex structure of the IBM, or, in other words – a greater or smaller number of structural components and, at the same time, a higher or lower degree of complexity of interactions between these components.

It should be added that in fact, in practice we are dealing with the following relatively transparent types of activity that influence the process of designing and implementing of the IBM, its form and thus its structural components:

- activity, which is strictly service oriented,
- activity, which is strictly productive,
- combined activity, based on tangible and intangible components.

Construction and implementation of an IBM in the sector of services requires taking into account the general characteristics of services (such as intangibility nature, lack of possibility of storing and manufacturing services to get a reserve stock, high heterogeneity), and in addition, in the case of tourism companies – the specific features of tourism and tourism companies, such as seasonality of tourist traffic, differentiation of tourism services, high dependence on management and tourist attractions, the complexity of functions of tourism (Brojak-Trzaskowska, 2018, pp. 87–106). Moreover, an important role should be played by analysis of environmental factors and the internal potential of the business units being examined, which are of key importance for competitiveness and, at the same time, growth and development of service companies (including tourism companies).

Business models based on innovations – results of empirical studies

This part of the work is focused on the structure of IBM in service companies, and it is worth adding that:

1. Adequately to the title of this article and the methodological assumptions made, the example of Polish tourism companies has been used.
2. The empirical data has been gathered for year 2016 and the respondents were able to choose more than one answer.
3. The data presented is a part of a broader study conducted by the author - a survey on a sample consisting of $n = 1508$ units (a part of the general population). The representative sample was selected from among the general population of entities in the sector of tourism (simple random method). Significance was at the level $\alpha = 2\%$, and the value of p ranged between 0.01–0.05, which means the result can be considered to

be statistically significant. 254 entities were analyzed on the basis of properly completed questionnaires (Brojak-Trzaskowska, 2018, pp. 142–144).

4. The values presented refer to the population of tourism companies, diversified in terms of the type of business conducted, size, range of operation, sector and form of ownership, organizational and legal status, as well as other classification criteria.

Data presented in table 1 indicates that, on the average, for one in four respondents, the main structural component of the IBM is innovation aimed at generating value for the customers, as well as generating specific economic and financial benefits, that is: increase in revenues from sale – 54 answers, rationalization of costs – 76 answers, profit increase – 80 answers.

Table 1. Structural components of the IBM in tourism companies

No.	Components of the IBM in surveyed enterprises	Number of answers	Structure (%)
1.	Innovations, customers, generating value for the customers	244	27.0
2.	Financial aspects	210	23.2
3.	Key processes, resources and competences	148	16.4
4.	Components CSR	132	14.6
5.	Competition	72	8.0
6.	Markets	52	5.7
7.	Suppliers of services and products	46	5.1
8.	Total	904	100.0

Source: own studies.

A significant role is played by the key processes, resources and competences serving as a basis for innovative development. A little less significant is corporate social responsibility in relation to the local community, the environment and cooperation with external entities.

Table 2. Structural form of IBM in tourism companies

No.	Structural form of IBM in surveyed enterprises	Number of answers	Structure (%)
1.	Formalized document	64	27.1
2.	Intuitive (non-formalized)	62	26.3
3.	Formalized schema	38	16.1
4.	Formalized plan	44	18.7
5.	Strategic dimension	14	5.9
6.	Other	14	5.9
7.	Total	236	100.0

Source: own studies.

Data presented in Table 2 indicate that in the companies examined, the IBMs have usually been formalized. They take the form of documents, plans or schemes for action. On the other hand, one in four respondents indicated the intuitive dimension of the business model, which means it is created as a certain concept for action and

prospective development. A mixed nature of the structural form of the IBM was indicated only by 14 respondents, which constitutes 6% of all answers. It should be emphasized that the above may serve as a basis for distinguishing the following types (categories) of IBM – formalized, intuitive and mixed, that is, combining the intuitive and the partially formalized approach.

Conclusions

The research conducted leads to conclusion that IBM are a manifestation of modern business orientation – the concept of action aimed at growth and development of the company. At the core of the IBM are innovations, which constitute the driving force of competitiveness in modern economies. Analyzing the structure of IBMs in tourism companies on the basis of empirical research, it was proven that the main structural component of these models is innovative activity, based on key resources and processes. These include tourism products and (or) services and marketing innovations being initiated and popularized. Activity based on innovative market offers, marketing instruments and organizational solutions is aimed in the first place at generating specific value for tourism participants and at achieving measurable financial benefits by a given business entity operating in the sector of tourism. The final implication of such business approach should be improvement in the competitive position of tourism companies. The results of own studies as well as scientific consideration of other researchers proved that competitive pressure determined by progress forces the enterprises into continuous innovativeness. The IBM architecture studies allowed to conclude that in the construction and implementation process both the endogenic elements, covering key resources and competences, business processes, economic, financial aspects, and the exogenic elements – the components the source of which is the surrounding. Study results and scientific reflection made it possible to define the notion of IBM in the tourism enterprises. It was stated that formation of IBM on the basis of analysis of their developmental determinants raises competitiveness of tourism enterprises.

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Cite this article as: Brojak-Trzaskowska, M. (2018). Architecture of innovative business models in the service sector from the perspective of Polish tourism companies. *European Journal of Service Management*, 4 (28/1), 31–38. DOI: 10.18276/ejasm.2018.28/1-04.