
Tourism Enterprise Cooperation Specifics: Comparative Study of Riga and Novosibirsk Travel Agencies

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Abstract:

Enterprise cooperation has been analysed from many aspects – global competition, new innovations in technology advancements, tendencies of direct sales in tourism, increase of tourist experience; these are the main driving forces that are pushing traditional travel agencies out of the market and transforming the tourism intermediates into new open business model. Cooperation and networking creates ability to achieve goals that an enterprise is not capable of achieving on its own, thus giving rise to a new phenomenon referred to as collaborative advantage.

Networking and collaboration in the tourism sector has gained importance particularly since these networks promote the spread of information and strengthens the connections between heterogeneous sectors of tourism industry, private and public companies, international partners, contribute to more sustainable tourism development that has greater actuality this year as the United Nations General Assembly announced 2017 as the International Year of Sustainable Tourism for Development. Research is based on qualitative research method of 5 case studies from each of two destinations Riga and Novosibirsk; using semi-structured interviews with company managers that allows interaction with each study object and gives advantage of collecting more detailed information, analysing motivation for involvement in cooperation. Article aims to investigate if there are cooperation peculiarities for the different types of travel agencies and tour-operator enterprises.

Cooperation factors for analyses include cooperation importance, objectives, motives, trust, coordination, networking coverage, frequency and other important indications. Despite the fact that all examined tourism enterprises are involved in cooperation activities, in conclusion the study indicates the differences in cooperation habits, advantages and disadvantages of these studied tourism enterprises.

Keywords: cooperation, cooperation networks, tour operators, tourism, travel agencies.

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1. Introduction

Sustainable tourism development is accented by the United Nations (UN) General Assembly as important factor of global development and the year 2017 has been announced as the International Year of Sustainable Tourism for Development. Sustainable tourism development consists of many sub-goals, UN defined 17 goals that are important to consider when working on sustainable development. The final 17th goal is related to partnering that is crucial for destination development. Partnering via cooperation and formation of networks in tourism industry has already been important agenda for decades, but current topic is related to sustainable tourism development and ongoing changes in information technology. Fast changing customer behaviour in information technology usage has put a heavy pressure on tourism industry and has profoundly modified a nature of the relationships between the tourism industry enterprises and organisation (Alford and Clarke, 2009; Baggio and Sainaghi, 2016).

Particularly in tourism intermediate sector enterprises are facing challenges of global competition, new innovations in technology advancements, tendencies of direct sales, increase of tourist experience; these are the main driving forces that are pushing traditional travel agencies and tour operators out of the market and transforming the tourism intermediates into new open business model. Current tendencies causes problematic question for traditional tourism intermediate sector – what kind of approaches can be used by tourism enterprises for further development high competition pressure environment and fast change and technology advancement era. Research subject is cooperation which is analysed using research objects - tourism intermediate sector enterprises, including travel agencies and tour operators.

Based on fundamental as well as on the most recent tourism scientific articles in theoretical discussions cooperation and networking are characterised as a tool that can create ability to achieve goals that an enterprise is not capable of achieving on its own, thus giving rise to a new phenomenon referred to as collaborative advantage. Networking and collaboration in the tourism sector has gained importance particularly since these networks promote the spread of information using traditional as well as new technology applications and via this strengthen the connections between heterogeneous sectors of tourism industry, private and public companies, international partners, contribute to ability to respond to fast changing external environment pressure (Valma, 2014; Liapis *et al.*, 2013).

Research is based on qualitative study methodology of 5 case studies from each of two destinations Riga and Novosibirsk; using semi-structured interviews with company managers that allow interaction with each study object and gives the advantage of collecting more detailed information, analysing motivation for the involvement in the cooperation. Article aims to investigate if there are cooperation peculiarities for the different types of travel agencies and tour-operator enterprises and the following tasks of the research need to be conducted - the literature review

for current trend determinations in tourism sector cooperation; development of research methodology based on the aim of the study; to analyse the business environment and tourism development as of two cities in order to determine common and different backgrounds for tourism intermediate sector enterprise; to select 5 different tourism intermediate sector entities in each city; conduct the research by collecting information, analysing results and developing conclusions and recommendations for tourism intermediate sector enterprises in Riga and Novosibirsk and these 2 city tourism enterprise analyses can be seen as novelty of the study. For these findings to contribute to the tourism management and marketing, the cooperation factors for these analyses should include specific cooperation factors that determine each tourism enterprise perception of cooperation's importance, would also determine cooperation objectives and motives, interpret level of trust and characterise the scope of cooperation through coverage, cooperation partners and forms chosen. Despite the fact that all examined tourism enterprises are involved in cooperation activities, in conclusion the study indicates differences in cooperation habits, advantages and disadvantages of the studied tourism enterprises.

Even though qualitative study gives the possibility for a closer study of cooperation habits at the same time it creates limitations of research subjects so that results of study cannot be applied for all tourism intermediate sector enterprises, but only to the sector in general (Frank *et al.*, 2016).

2. Research Results and Discussion

2.1 Theoretical Framework of Cooperation in Tourism Industry

From one side tourism industry is a very interesting field to study cooperation in, but at the same time it's a big challenge due to the tourism industry's fragmentation and geographical spread consisting of many sectors that creates a situation in which only by working shoulder to shoulder it's possible to successfully promote a destination and attract a flow of tourists. Global competition and SME sector domination even creates a situation where it is impossible to work and develop your tourism business separately, without cooperation.

Interdependence of the multiple stakeholders and the fragmented resources create situation when cooperation can be considered as determinant of success in mobilizing information and resources for tourism intermediate sector (Lemmetynen and Go, 2009; Akhmetshina *et al.*, 2017). Many scientists emphasize that tourism is an appropriate environment for the formation of inter-organizational networks, as it is one of the economic sectors incorporating greatest diversity of activities, sectors, organizations and partnerships, as well as cooperation network organization and close collaboration promote tourism product and information spread and strengthen the connections even between directly and indirectly competing companies (Jesus and Franco, 2016).

Tourism enterprise cooperation is crucial from regional perspective. The global tourism paradigm also demands greater cooperation and collaboration both at local and at regional level to ensure a quality of tourism product that increase tourist satisfaction level, and ability for tourism companies compete effectively at the international level (Della Corte and Aria, 2016; Bintarti and Kurniawan, 2017). General conclusion is that tourism can be seen as an organizational model inside the cooperation network approach that introduces innovative dynamics and improvements to the sector (March and Wilkinson, 2009; Jesus and Franco, 2016).

Though there is a significant and growing number of theoretical and empirical research devoted to understanding the formation of these relations, a systematic definition and detailed qualitative description of relationships from the point of view of tourism industry intermediate sector would contribute to the understanding of how businesses perceive their cooperation relationships with their counterparts (Wang and Krakover, 2008) and dynamics over a time.

The word co-operation is widely used in everyday life. The author will explain a broader and a more narrow definition of co-operation, thus facilitating further analyses:

- co-operation comprises all the forms of joint action by two or more individuals (Richerson *et al.*, 2003);
- co-operation is an individual behaviour that incurs personal costs to engage in a joint activity that grants benefits that exceed the costs to the members of the group (Bowles and Gintis, 2002).

For further study, wide will be used broad approach of cooperation term. Cooperation organisation process and relationships can take place in different directions:

- vertical cooperation, in terms of supplier-customer cooperation relationships or inter-sector labour division;
- horizontal cooperation , when cooperation occurs between direct competitors;
- cooperation at a network level, with different enterprises and organisations and complementors in the value network (Czakoń and Rogalski, 2014; Ablaev, 2017; Albekov *et al.*, 2017).

All the vertical and horizontal level cooperation networks can gain different specific titles like network, partnerships, public-private partnerships, associations, clusters, etc. (Srimuk and Choibamroong, 2014) gathering tourism customers, distributors, suppliers, competitors, non-profit organisations, public administration and other actors (Musso and Francioni, 2015). The amount of cooperation network members is significant as a critical mass is necessary to achieve inner dynamics and ability to influence efficiency (Theodoropoulos and Tassopoulos, 2014).

Tourism cooperation is challenging subject to study as network is a system that can contain countless elements (Baggio and Cooper, 2008). Cooperation research is

logical to start with cooperation relationship stakeholder analyses may represent various actors including individuals, teams, organizations, enterprises, communities, regions or social artefacts; furthermore the direct or indirect relationship ties can be classified as:

- similarities (same location, membership or attitude);
- social relations (kinship, friendship, liking or knowing an actor);
- interactions (support, trade);
- flows (information, resources) (Borgatti and Foster, 2003).

Cooperative relationships are motivated by the need for partners' resources, in areas where own resources are more critical and scarce (Jesus and Franco, 2016). There are several approaches for cooperation objective statement:

- market related objectives;
- knowledge related objectives;
- product related objectives;
- resource related objectives;
- safety related objectives (Fyall and Garrod, 2005).

Market-related objectives encompass improvement in market position; market-structure modifications; and market entry strategies, which can differ depending on the market and the current product situation. Product-related motives encompass product development; improvement of product quality; a filling of the gaps in the current product line; a broadening of the current product line; product differentiation; and an addition of value to a product. Knowledge-related motives can be connected with information exchange; an increase of the speed of information exchange; skill enhancement; common research-and-development projects; and knowledge of development. Skill-enhancement-related motives are the learning of new skills from alliance partners; and the enhancement of present skills by working with alliance partners. Resource-related motives are connected with efficiency of the use of resources, like a lowering of production, distribution, or marketing; or with resource extension, like pooling resources in the light of required large outlays. Safety-related objectives incorporate the reduction of risk and uncertainty, for example, lower risk in the face of large required resource outlays, and technological uncertainties, market-based uncertainties, or other uncertainties (Fyall and Garrod, 2005).

One of the success factors of cooperation is level of trust. Trust can be defined from many different aspects. For enterprise cooperation following definition can be used (Della Corte and Aria, 2016) psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another (Rousseau *et al.*, 1998). In cooperation studies, the term "trust" has gained a very particular comparison or image: it is described as glue - a bonding element for cooperation network members strengthening relationship increasing efficiency by facilitating coordinated actions (Koniordos *et al.*, 2005; Todeva and Knoke, 2002) and as the efficient means in achieving of the competitiveness due to the informal integration of the efforts of different institutions (Ablaev, 2017).

The abovementioned micro level cooperation factors are covered by macro level that sets either additional support or challenges for cooperation networks in tourism (Kuznetsov *et al.*, 2017).

Summarising literature analyses, it can be concluded that cooperation and cooperation networks can be analysed from different perspectives including following factors for analyses - cooperation importance, objectives, motives, trust, and coordination, networking coverage, frequency and other important cooperation indications.

2.2 Analytical Framework of Tourism Intermediate Sector Importance in Tourism Industry of Both Destinations

Riga is capital of Latvia and biggest city in Baltic States by number of inhabitants as well as by economic activity.

Before analysing travel agency sector it is important to mentioned that tourism export in 2015 increased by 9.3% compared to the previous year and amounted to 1 023 million Euro (data of Central Statistical Bureau of Latvia) keeping tendency for Latvian and foreign travellers balance to remain positive for last 6 years.

Table 1. Indicators characterizing activities of tourism companies in Latvia from 2003 till 2015

| | Number of tourism companies providing tour operator services | Number of persons purchased package holidays | Number of served incoming visitors | Number of served outgoing visitors | Number of served visitors travelling within the boundaries of Latvia | Number of persons purchased package holidays in RIGA |
|------|--|--|------------------------------------|------------------------------------|--|---|
| 2003 | 101 | 285 865 | 108 094 | 149 414 | 28 357 | NA |
| 2004 | 112 | 370 631 | 133 607 | 206 408 | 30 616 | NA |
| 2005 | 130 | 462 962 | 157 461 | 272 914 | 32 587 | NA |
| 2006 | 167 | 719 621 | 269 645 | 388 453 | 61 523 | NA |
| 2007 | 202 | 785 894 | 237 573 | 487 620 | 60 701 | NA |
| 2008 | 258 | 772 416 | 236 620 | 478 298 | 57 498 | NA |
| 2009 | 243 | 417 803 | 150 147 | 247 200 | 20 456 | NA |
| 2010 | 284 | 512 180 | 191 601 | 298 645 | 21 934 | 456 912 |
| 2011 | 275 | 500 915 | 175 402 | 302 845 | 22 668 | 442 276 |
| 2012 | 241 | 531 398 | 175 046 | 335 567 | 20 785 | 485 709 |
| 2013 | 332 | 690 931 | 212 261 | 417 965 | 60 705 | 622 811 |
| 2014 | 169 | 683 609 | 175 074 | 439 560 | 68 975 | 628 098 |
| 2015 | 143 | 518 764 | 133 718 | 348 159 | 36 887 | 464 525 |

Source: data of Central Statistical Bureau of Latvia.

The number of tourism companies in Latvia is fluctuating partly due to the statistical data gathering and interpretation changes, the tendency of decreased amount of businesses in 2015 can still be noticed, when looking at the number of people who purchased package holidays and number of served incoming visitors in 2015, compared to the years of 2007, 2008 and 2013.

Most of tourism intermediate sector enterprises are located in Riga, but they provide their service not only to the inhabitants of Riga, but to the whole country and internationally as well. As the last column of Table 1 shows, the 2015 was characterised by decreased number of visitors served and at the same time showing jumbo-size proportion of conducted business from tourism intermediates from Latvia – 90% of visitors are served by Riga travel agencies and tour operators.

The tourism industry of the Novosibirsk as region of Commonwealth of Independent States (CIS) comprises 538 travel agencies and 74 tour operators. Most of the travel agencies are engaged in both the sale of foreign tours, and tours in Russia. There are 209 hotels, 60 hostels and 123 recreation centres. In 2016 the volume of tourist services provided to the population amounted to about 3 billion 300 million roubles, which is 21.8% higher than in 2015. In the Novosibirsk region last year, the volume of tourism services, as well as the volume of sanatorium and health services, increased by more than 1 billion 366 million roubles, which is 15.7% more than in 2015. In 2016, Novosibirsk was visited by 250 thousand foreign tourists. On average, tourists stay in Novosibirsk for three days. Novosibirsk ranks as 10th in terms of the number of foreigner arrivals in Russia and the average price per room for a foreign tourist in Novosibirsk is 3820 roubles. In 2016 a Tourist Information Centre (TIC), was finally opened in Novosibirsk, which offers tourists and residents of the city free information about the culture objects, history, tourist routes of the New Siberian region. Still due to sanctions and currency issues tourism sociologic studies show that big part of population of Russia do not travel or travel not so much due to financial difficulties which were caused by financial crisis and international trips are replaced by local tourism (Frolova *et al.*, 2017).

The number of travel agencies and tour operators in Novosibirsk comprises more than 4000 travel agencies and tour operators. The partnership between tour operators and travel agencies is usually formed in terms of licensing or franchising (Yevstafyev and Yevstafyev, 2015). Study of many tour operators and travel agencies in the field of international outbound tourism in Russia, shows that they use means for partnership in their relationships with travel agencies in varying degrees.

3. Research Methodology and Case Study Description

From an operational perspective the study was developed based on the literature review for current trend determinations in tourism sector cooperation and taking into account analytical framework of tourism intermediate sector in each destination, thus developing 3 phases for empirical research:

1. Case selection for 5 different tourism intermediate sector entities in each city and coding 5 cases of tourism enterprises from Riga as R1-R5 and 5 cases of tourism enterprises from Novosibirsk as N1-N5;
2. Conducting interviews with each tourism intermediate sector representative for cooperation aspect in-depth information acquisition;
3. Analyses results and developing conclusions and recommendations for tourism intermediate sector enterprises in Riga and Novosibirsk.

This composition is in line with other studies on the subject of cooperation in tourism industry emphasizing qualitative research methods of case studies - study of Jesus and Franco (2016) on cooperation networks in tourism in Portugal, study of March and Wilkinson (2009) on evaluation on tourism partnerships.

Each case study interview as qualitative research method was chosen due to particular need for each aspect evaluation without quantitative constrain as qualitative approach allows interaction with the subject of investigation and the use of informal language and case study gives possibility for studying a cooperation phenomenon allows detailed information to be collected for small sample (Creswell, 2014), so it was decided to analyse five case studies in each destination; and as suggested by researchers case studies should be carried out to demonstrate clearly the situation of the tourism industry (Varum *et al.*, 2011) and in specialised regional partnerships (March and Wilkinson, 2009). Semi-structured interviews were used to obtain primary data that allow collection of more complete and spontaneous answers through the interaction between interviewer and interviewee, avoiding problems related to incorrect interpretation of the questions (Creswell, 2014). As study methodology approbation can be chosen research “Cooperation networks in tourism: A study of hotels and rural tourism establishments in an inland region of Portugal” (Jesus and Franco, 2016) that showed regional aspects of accommodation establishment cooperation in Portugal analysing 2 cases of urban and 2 cases of rural hotels.

The diverse tourism intermediate sector enterprise selection of case studies was based on the purpose of this study – analyses of cooperation particularities in tourism establishments with the intention was to determine whether there are significant differences between different establishments in both destinations comparing cooperation structure of tour operators and travel agencies, determining the principal cooperation habits and identifying the motivational factors in the formation of collaboration networks, perceptions about the relevance of network structures, making a comparative study through the statements of those in managing level of enterprises.

The research phase related to conducting interviews was in April 2017 and lasted 30 min on average. Table 2 shows the information about the tourism intermediate sector enterprises and interviewees.

Table 2. *Main characteristics of the cases of tourism intermediate sector enterprises and interviewees in Riga and Novosibirsk*

| Tourism enterprise characteristics | Type | Specialisation | Business model | Location | Establishments | Years of operation | MSE L | Position in enterprise | Gender |
|---|-------------|--|------------------------------|-----------------|-----------------------|---------------------------|--------------|-------------------------------|---------------|
| Case R1 | TA TO | Outgoing, Full service | Independent enterprise, Ltd. | Riga | 3 | 19 years | Small | Marketing director | F |
| Case R2 | TA | Outgoing, Full service | Independent enterprise, Ltd. | Riga | 1 | 5 years | Micro | Travel manager | F |
| Case R3 | TA TO | Outgoing, Full service | Independent enterprise, Ltd | Riga + | 2 | 18 years | Small | Marketing director | F |
| Case R4 | TA | Specialised | Independent enterprise, Ltd | Riga | 1 | 21 years | Small | Marketing director | F |
| Case R5 | TA | Specialised | Independent enterprise, Ltd | Riga | 1 | | Small | Marketing director | M |
| Case N1 | TA | Outgoing, Incoming, Local, Full service | Independent enterprise, Ltd | Novosibirsk | 1 | 17 | Small | Marketing director | F |
| Case N2 | TO | Outgoing, Full service | Independent enterprise, Ltd | Novosibirsk | 1 | 23 | Medium | Marketing director | F |
| Case N3 | TA TO | Outgoing, Incoming, Local, Full service | Independent enterprise, Ltd | Novosibirsk | 1 | 23 | Small | Marketing director | F |
| Case N4 | TO | Outgoing, Local, Full service | Group of companies | Novosibirsk | | 24 | Medium | Marketing director | F |

| | | | | | | | | | |
|----------------|----|-------------------------------|-----------------------------|-------------|---|----|-------|--------------------|---|
| Case N5 | TO | Outgoing, Local, Full service | Independent enterprise, Ltd | Novosibirsk | 1 | 21 | Micro | Marketing director | F |
|----------------|----|-------------------------------|-----------------------------|-------------|---|----|-------|--------------------|---|

Source: author's construction based on primary qualitative data.

The chosen case studies are representing different types of tourism intermediate sector travel agencies, tour operators as well as combinations of both types. From the point of view of geographical coverage companies are representing tourism export or so called incoming tourism enterprises, as well as tourism import or so called outgoing tourism enterprises, as well as local travel agencies. From the point of view of service and product range cases offered include both narrow specialisation as well as full service enterprises.

From the enterprise business models perspective cases include independent one office enterprises as well as larger travel agencies that have several offices with representatives or group of companies. Representing the most frequent size of companies are micro, small as well as medium size enterprises. Some of the enterprises are new in the market but many of them are already operating for couple of decades and have survived all the financial and economic crises.

Characterising the company representatives as respondents, it needs to be noted that they were people who were able to answer the questions and as it is common in the tourism industry majority of them were female respondents.

4. Research Results and Discussion

Data analysis comprised relational structure of the establishments, determining the principal cooperation habits and analysis of the importance of network collaboration (see Table 3).

Table 3. Main characteristics of the cooperation of cases of tourism intermediate sector enterprises in Riga and Novosibirsk

| Tourism enterprise characteristics | Individual cooperation | Local networking | International networking | Number of cooperation partners | Cooperation sectors | Trust | Success |
|------------------------------------|------------------------|------------------|--------------------------|--------------------------------|---------------------|-------|---------|
| Case R1 | X | x | X | Over 200 | 5 | 4 | max |
| Case R2 | X | - | X | Over100 | 3 | 4 | max |
| Case R3 | X | x | X | Over 100 | 5 | 4 | Max |
| Case R4 | X | | X | Over 50 | 2 | 4 | Max |

| | | | | | | | |
|----------------|---|---|---|-----------|---|---|---------|
| Case R5 | X | | X | Over 100 | 2 | 4 | Max |
| Case N1 | X | x | - | Over 150 | 6 | 5 | max |
| Case N2 | X | - | - | Over 2000 | 4 | 5 | average |
| Case N3 | X | x | - | NA | 3 | 5 | max |
| Case N4 | X | - | - | Over 2000 | 4 | 4 | max |
| Case N5 | X | - | - | Over 50 | 1 | 4 | average |

Source: author's construction based on primary qualitative data (interviews).

Cooperation organisations process and relationships of studied cases included all directions - vertical cooperation with suppliers, for example cooperation with hotels and airline companies, as well as horizontal cooperation between direct competitors as in case of Riga that was ALTA Association of Latvian Travel Agents and Operators and in case of Novosibirsk is NATO Novosibirsk Association of Tourism Organisations. In case of vertical cooperation there are many best cooperation practices that were mentioned. For example, for successful 2-side cooperation Atlas Travel was mentioned which provides travel management services using industry-leading technology and personalized customer service.

A successful network example that was mentioned in interviews for vertical cooperation network was 6tour.com which is a web portal where travel agencies and tour operators from all over the world can create travels for their customers. These examples show usage of comprehensive IT platforms. In the list of the best practices and new technology application local horizontal cooperation networks weren't mentioned, respondents even mentioned that there is kind of an old fashion thinking that hinder creation of local tour operator product platform with the features (lowest price search, etc.) that have already been used for a long period of time in other sectors like hotels and airlines. As one of the barriers of the creation of common tour operator product selling platform, fear from decrease of prices of tour packages due to the sharp price competition was mentioned, as customers will be able to compare prices and product features more easily.

For success of horizontal level cooperation networks is possibility to attract support from government or public administration (Srimuk and Choibamroong, 2014). This was the path that was taken by Association of Latvian Travel Agents and Operators, who applied for cluster project and received support creating Sustainable Tourism Cluster of Latvia that has been mentioned in international tourism research studies on clusters (Srimuk and Choibamroong, 2014), this is the opportunity for local cooperation networks to create additional advantages for members.

Scope of cooperation was analysed indicating number of tourism sectors chosen for cooperation as well as number of cooperation enterprises in general. Fragmentation

of tourism industry creates different parts of tourism industry that quite often are grouped as accommodation and catering establishments, transportation companies, tourism information centres, recreation, tourism intermediates like travel agencies and tour operators, as well as other types of enterprises. Most of the enterprises analysed are using wide spectrum of cooperation sectors with the objective to offer full service of possible tourism products.

To speak to the question on number of enterprises as cooperation partners, in most of cases it was commented that they can group their cooperation partners in so called close cooperation partners that could be 10 till 20 enterprises they have frequent interactions and higher trust with less formal rules. As the second cooperation group are the enterprises with no so frequent interactions that could consist of 50, 100 or more than 200 partners. Agencies and tour operators indicated that they have quite stable number of cooperation partners as some new companies are added after the meetings in tourism exhibitions, but some are declined. The new travel agencies are year by year increasing number of cooperation partners. Product related cooperation objective are mostly indicated for the not so frequent cooperation partners.

None of the travel agencies or tour operators showed that their cooperation was unsuccessful; it was indicated as more successful than unsuccessful (average success) or very successful. The same corresponds to the level of trust that was measured between level 1 (not trusting cooperation partners) and 5 (completely trusting cooperation partners), the range of answers showed high level of trust - 4 and 5.

Few differences between enterprises of Riga and Novosibirsk are in more active use of international cooperation networks by Riga travel agencies and tour operators that could be explained by the size of the countries.

5. Conclusions, Proposals, Recommendations

Based on the analysis and evaluation of the main points of research results that were discussed in the paper, following conclusions can be outlined:

Cooperation factors for analyses include cooperation's importance, objectives, motives, trust, coordination, networking coverage, frequency and other important cooperation indications.

Despite the fact that all examined tourism enterprises are involved in cooperation activities, in conclusion the study indicates differences in cooperation habits, advantages and disadvantages of studied tourism enterprises.

Cooperation organisation process and relationships of studied cases included both vertical and horizontal cooperation, despite that in the examples for the most successful cooperation mainly the vertical cooperation with suppliers was mentioned.

In the list of the best practices and new technology applications in the sector the local horizontal cooperation network wasn't mentioned.

As one of the barriers of creation of common tour operator product selling platform, the fear from decrease of prices of tour packages due to the sharp price competition was mentioned.

No major differences between cooperation patterns between two cities could be indicated. The few differences appear in size of tourism enterprises – micro and small enterprises in Riga, small and medium - in Novosibirsk. All enterprises have individual bilateral cooperation and are part of local cooperation networks, still Riga enterprises are more involved in international cooperation networks.

Recommendations for tourism intermediate sector enterprises:

- in Riga - new flexible structures, fast changing customer behaviours and the development of transportation technologies are putting a heavy pressure on the tourism intermediate sector. The information technology's fast development and the customer habit or even an addiction to advancements and usage comfort revolution create a need for profound modified services offered by travel agencies and tour operators;
- in Novosibirsk – due to decrease in international tourism and increase of local tourism, creation of common platform of local tourism products that are currently offered by travel agencies and tour operators;
- for both destination travel agencies and tour operators of local cooperation networks to apply for projects and government and public administration support in order to create additional benefits for network members and increase satisfaction level of involved travel agencies and tour operators.

As implication for future research using qualitative research method of case study analyses it would be interesting to talk to several representatives from each company depending of the size of the company like the owner, general management, marketing director and finance director in order to compare cooperation related qualitative aspects.

Current qualitative research results could be used for further study analysing larger amount of enterprises for industry characterisation and research result generalisation.

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