



## Strategic Expansion and Dynamic Capacity Enhancement in Lion Tourism: Analyzing Advanced Deployment for Sustainable Growth

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### ABSTRACT

Sustained growth and competitive advantage have always been the goals that enterprises strive to find and practice. This study uses the "positioning", "process" and "path" aspects of the dynamic capability perspective, and divides the stages according to "time sequence", to explore how enterprises adjust their organizational structure and practices in order to enhance their competitive advantages in a rapidly changing environment. Adapt to changing environments. This study uses a single case study to summarize the 35-year development process of Lion Tourism; summarizes the "events" that occurred in the "time sequence" into the perspective of dynamic capabilities, and explains how Lion Tourism responds to opportunities, advances deployment, and quickly adjusts Organizational structure and development strategy to ensure continuous growth and competitive advantage. Dynamic capabilities are more suitable for application in industries with rapidly changing environments. However, through the events experienced by the case companies, the theoretical model of the empirical dynamic capabilities' viewpoint can be used as a basis for academic research models. Moreover, the case can be used as a reference for other travel industry peers. It can also determine the direction of industrial practice and provide a reference for managers' strategic operations. The paper concludes with theoretical and practical implications, dynamic capability testing, and future research recommendations.

### 1. INTRODUCTION

Travel is an industry that creates economic value by bringing people together and moving them around. According to Taiwan's Tourism Development of Regulations-Additional Regulations (Tourism Bureau, et al., 2019), Article 2, Paragraph 10 defines a travel agency as; Approved by the central competent authority, it refers to a profit-making enterprise that designs and arranges itineraries, board and lodging, tour guides, tour guides, substitutes for purchasing transportation tickets, and charges fees for related services such as going abroad visa procedures. Generally speaking, tourism development usually

has a high degree of sensitivity to changes in the international, and domestic overall environment; such as climate change, natural disasters, major accidents, important policies and economic growth, etc. For example, the outbreak of Covid-19 in early 2020 has directly affected the global aviation industry, tourism industry, hotel industry, traditional physical stores, etc., which have all been severely impacted. Although some countries have started vaccination in 2021, the epidemic situation is still not under full control, and border controls will continue to be enforced. At this time, the larger the travel agency, the greater the risks and

pressures. Therefore, in a rapidly changing environment, it becomes an important issue to be able to adjust one's own advantages to meet the needs of the environment. There is also a lot of travel industry literature in academia, but relatively little literature mentions the dynamic capabilities of the travel industry.

This study is based on the case studies of the travel industry, based on the dynamic capabilities viewpoints proposed by Teece et al., (1997) and Eisenhardt & Martin, (2000) Show the events experienced by the enterprise on the time axis, identify the "Position" of the event and adjust the resources and organizational structure of the dependent development "Path", and implement it in a series of "Processes" that have an effect. That is to say, the impact of the past events on the company's positioning (Resource Allocation), path (Strategy) and process (Execution) is the results presented now; in the future, if the company wants to continue to have a competitive advantage, it must let the current events The three dimensions of positioning, path, and process can interact and ensure updates; so that the competitive advantage expected by the enterprise will have a chance to last.

In terms of theoretical development, this research will use the three dynamic capability connotations of "positioning", "path" and "process" and adopt the method of "Single Case Study" of Yin [4]. Aiming at the development history of Lion Tourism in the past 35 years (1985-2020), the "events" are classified and sorted out in six stages according to the "time sequence", so as to quickly and deeply understand the development of Lion Tourism.

In terms of case analysis, we list the growth process of Lion Travel and the handling of incidents experienced. For example: From Bao-lion to lion tourism brand, corporate identity is consistent to facilitate marketing; invest in the establishment of IT and virtual platforms, directly face end consumers, and actively grasp the source of performance; stock listing to obtain more funds, extend diversified operations, Branches such as information companies, media companies, tour bus companies, integrated marketing companies, investment companies, etc.; collectivization and mobile communication enable organizations to be organized horizontally and vertically, regardless of domestic or foreign countries, and achieve cross-organizational contact without time difference. In

order to quickly respond to market dynamics. Along the way, check for the measures that Lion Travel has taken at each stage. Every incident confirms the three connotations of "process", "positioning" and "path", which give Lion Travel a stronger competitive advantage in order to respond to rapid changes environment.

In terms of academic contribution, this research uses case dismantling and classification methods to help confirm the consideration of dynamic capabilities and supplement the lack of dynamic capabilities in industry analysis in the past. In terms of management implications, it describes the development process of Lion Tourism in detail in the way of historical retrospective points, and the decisions made for existing events and future planning can be provided to other travel companies in Taiwan as a reference for development. Finally, it concludes and puts forward the results of case dynamic ability testing and suggestions for future research.

## 2. LITERATURE REVIEW

### 2.1 Perspective of Dynamic Capabilities

Eisenhardt & Martin believe that dynamic capabilities are the process of enterprises using resources—especially the process of integrating, reorganizing, acquiring and releasing resources, creating and developing new capabilities to meet market demand. Zahra & George (2006) regarded dynamic capabilities as the main factor for whether an enterprise can create sustainable competitive advantages. The empirical analysis of Ethiraj et al. (2005) verified that the ability of manufacturers to manage customers and project management will also affect the performance of business operations. Spanos & Lioukas (2001) found that dynamic capabilities have a significant impact on market performance (for example; an increase in sales and market share). Wang & Ahmed (20027) also pointed out that if the development of corporate capabilities is consistent with corporate strategies, dynamic capabilities will produce better business performance. According to the arguments put forward by the above-mentioned scholars, the impact of dynamic capabilities on corporate performance, whether direct or indirect, has an inseparable relationship. Many scholars [8-10] comprehensively pointed out that when faced with a rapidly changing competitive environment, enterprises must A series of strategic actions

carried out, without dynamic ability thinking and operation, will not be able to obtain long-term stable high profits and sustainable competitiveness of enterprises.

The dynamic capabilities viewpoint differs from the resource-based view of the past. It emphasizes the integration of internal and external changes in the organization so that it can quickly respond to the market; while the resource-based view mainly emphasizes the internal configuration of the organization, unlike dynamic capabilities that focus on the adjustment and coordination of internal and external changes. Therefore, most scholars believe that dynamic capabilities are the ability to respond to rapidly changing environments, and to establish external capabilities that are difficult for competitors to imitate through internal resource correction; so that companies can gain sustainable competitive advantages in the market. Therefore, Teece et al. (2007) defined "dynamic capability" as the company's ability to integrate, build and reconfigure internal and external capabilities to

respond to rapidly changing environments. The word "dynamic" refers to the ability of an organization to update its internal resources in response to changes in the external environment. The word "capability" emphasizes the ability to modify, integrate and reconfigure the internal and external technologies and resources of the organization to meet the needs of environmental changes.

This study believes that dynamic capabilities mainly describe the process of enterprise management, in the face of various predictable and unknown events, through the integration, construction, and reconfiguration of internal and external resources and capabilities based on the existing organization and resources of the enterprise. The ability to adapt to a rapidly changing environment and to respond and deal with it quickly is called the dynamic ability. Organize the definition of dynamic capabilities as shown in Table 2:

**Table 2: Dynamic Capability Definitions**

Reference	Definition
Teece et al., (1997)	A dynamic capability is a capability that enables a company to integrate, build and restructure internal and external capabilities to meet a rapidly changing environment
Helfa, et al., (1997)	Manufacturers use dynamic capabilities to create new products and processes in response to market changes.
Luo, et al., (2000)	Dynamic capability refers to the ability to create, deploy, and enhance organizational resources and respond to changes in the process of pursuing sustainable competitive advantages in the global market, including; capability holding, capability deployment, and capability enhancement.
Eisenhardt & Martin (2000)	Dynamic capability is the process of resource integration or reorganization in order to adapt to changes or create markets, and is based on strategies and processes, and best practices.
Lee et al. (2002)	Dynamic capabilities, the concept of a firm's ability to deal with market changes, are a new source of competitive advantage.
Zahra & George (2002)	Dynamic capability is essentially a change-oriented capability that can help a company reconfigure its own resources to better meet customer needs and competitive strategies.
Zott, et al., (2003)	Dynamic capabilities change a manufacturer's resource mix through "change, selection, and maintenance" and affect the manufacturer's competitive advantage in the industry.
Helfat et al., (2007)	Dynamic capabilities are the ability of an enterprise to purposefully create, expand, and adjust its resource base.

## 2.2 Connotation of Dynamic Capabilities

All the researchers mentioned the constituent elements of the theoretical framework of dynamic

capabilities. Teece et al., (1997) also pointed out that the competitive advantage of the dynamic capability perspective comes from the enterprise's "unique procedures" (Coordination, integration and execution methods), "specific asset positioning" (Difficult-to-trade knowledge assets and complementary combination of assets), and the "evolution path" (Appropriate Strategy) adopted or succeeded.

### 2.2.1 Unique Procedure

It means that each enterprise has its own unique capabilities, methods and techniques in terms of internal organizational operation management and external integration and coordination, which will affect the pattern of subsequent expansion of the enterprise. Internal organization operation management is mainly to effectively achieve internal coordination or integration and improve operational efficiency. External coordination and integration are mainly to obtain strategic advantages and market shares, and the specific forms include strategic alliances, virtual organizations, supply and demand relationships, technology transfer and authorization. They can also combine with outsiders through informal relationships, or make formal alliances by taking advantage of their close relationship. It includes three functions: coordination and integration (Static Concept), learning (Dynamic Concept) and reconfiguration and transformation (Deformation Concept). 1. Coordination and integration: Managers must coordinate or integrate within the enterprise to achieve efficiency and effectiveness. 2. Learning: learning is to find out the best or fastest procedure through experience to improve the operation of the enterprise. 3. Resetting and conversion: Enterprises can detect environmental changes and convert internal and external resources to meet environmental needs.

### 2.2.2. Specific Asset Positioning

The strategic position of an enterprise needs to be determined not only through the learning process, coordination and integration; but also through the exclusive assets of the enterprise. Teece et al. (1994) defined assets as the following types; 1. **Technological Asset**: refers to the special key technology or knowledge owned by an enterprise, which can effectively maintain its competitive advantage and cause competition obstacles from

other enterprises; 2. **Complementary Assets**: Refers to the supporting activities or capabilities required for commercialization in the process of technological innovation, including manufacturing, distribution, marketing, services, brands, and goodwill; 3. **Finance Financial Assets**: Refers to assets that can be converted into cash immediately in the short term to stabilize operations, turnover, and confidence; 4. **Reputational Assets**: Refers to corporate behavior that has gained social recognition, thereby obtaining resources and opportunities and support; 5. **Structural Assets**: refer to the speed, direction, ability and competitiveness that affect the innovation of enterprises related to the development of competitiveness; 6. **Institutional Assets**: refer to government public policies that will affect market economic activities; 7. **Market Asset**: refers to the market position of the enterprise in the industry; 8. **Organizational Boundaries**: refers to the level and vertical integration of the enterprise, which includes internal integration or external acquisition of technology and other There are complementary related assets.

### 2.2.3. Adopt the Evolution Path

The path is the strategic solution currently available to the enterprise. According to the status of exclusive assets, organization and management process, the enterprise chooses a path (Strategy) suitable for the current situation and moves to it. Therefore, the strategy selection of dynamic capabilities will be affected by Path Dependencies and Technical Opportunity. 1. **Path Dependence**; it means that the future direction of the enterprise is determined based on the current positioning and development path, and the current path is affected by the past path selection and development. That is to say, the correct asset positioning and path selection in the past will be accompanied by an increasing return effect, so past accumulation and selection will determine the current resources and performance of the enterprise. 2. **Technical Opportunities**; technical opportunities are the source of an enterprise's core competitiveness. Enterprises will choose the path direction according to the opportunities brought by technological advantages, that is, path dependence. The generation of technical opportunities can be internal innovation, external mergers and acquisitions, or strategic alliances.

Based on the above literature, we can see that the connotation of dynamic capabilities is through the process of coordination and integration, learning, reset and transformation, through the execution of "Procedural", the special resources owned by the enterprise are "Positioned" and "Convert", and the appropriate strategy "Path" is selected, in order to face the dynamic environment and improve corporate performance and sustainable competitiveness.

### 3. RESEARCH METHODS

This research is based on dismantling the process of internal coordination, integration, learning, resetting and conversion in each stage of the 35-year development process of Lion Tourism, and according to the resources owned by the company, choosing a suitable company development, and market strategy to face Dynamic environment and improve corporate performance and competitiveness, and verify the three main connotations of dynamic capabilities "Procedure", "Positioning" and "Path". Mainly to explore "how" to rise, "How" to grow, and "How" to transform lion tourism? "How" to solve problems in the face of environmental changes? Articulate an event or set of decisions, explaining why the strategy was adopted, how it was implemented, and what was the result. And explain the history of its establishment and analyze the causal relationship. This study divides the development history of lion tourism into six stages, selects major events that affect the development of lion tourism and cooperates with the three connotations of the dynamic capability perspective to establish a theoretical model to analyze the evolution process of lion tourism in each period. And use the research method (Yin, et al., 1994) of "single case study" explores the historical development track of lion tourism from 1985 to 2020.

In terms of data sources, in addition to reviewing the current status of research on dynamic capabilities in the academic community, we also use case company annual reports, press releases (Website materials), the Securities and Futures Development Foundation of the Republic of China (Annual reports and Financial statements), joint knowledge bases news, periodicals and professional newspapers and magazines and other secondary data (Zahra, S. A. et al., 2006). Through

the dynamic ability theory and the conceptual framework established by the past events of Lion Tourism, a classification comparison is made to increase the validity of the content. Among them, the past events of Lion Tourism systematically present the development and explanation from 1985 to 2020 in the form of "narrative" and time series, and from the perspective of dynamic capabilities.

Finally, in order to increase the construct validity, this study adopts multiple sources of evidence during the data collection stage (for example, for the research case, collects data from all parties, and collects and classifies it through multiple sources of information) to establish a series of evidence chains. Relevant multi-party materials are cited, and compared in a timely manner to improve content validity. In terms of reliability, the steps of the research will be recorded in detail, a database of case studies will be established, and the operational factors in the data collection process will be recorded to ensure that subsequent researchers can follow the same research context to conduct research and obtain the same results.

#### **Growth history of Lion Tourism: 1977~2020**

Lion Travel Service Co., Ltd. (stock code: 2731) established in June 1977, is currently the most well-known and largest travel agency in Taiwan. As of April 2021, there are a total of 35 physical service bases around the world (originally 69 bases around the world, the Taiwan base was rapidly reduced due to the new crown epidemic, and currently there are 10 overseas bases and 25 Taiwan bases) to provide customer travel consultation and sales services. Distributed in the United States, Canada, New Zealand, Australia and major cities in Asia. Before the new crown epidemic in 2019, the annual revenue reached 30.16 billion NTD, about 1.005 billion USD. In addition to being committed to the vertical integration of the tourism industry, Lion Tourism has introduced informatization and knowledge management systems and is actively expanding to the level of the life industry.

#### **Founding period: 1985~1993 (8): as shown in Table 3**

**In 1985**, Bao-lion Travel Agency, the predecessor of lion tourism, changed its management rights and

restructured its shareholders. In 1987, it confirmed its stable equity and management rights. After five years of internal organizational restructuring, it gradually stabilized. **(E1)**

In 1990, when the industry was still stuck in the traditional ecology of advertising, relying on manpower to explain and accept orders, lion tourism took the lead in investing nearly 500 million yuan to build an information system. And when the Internet generation came in 2000, it was easier for the information-based lions to transform and connect to the Internet than Industry peers, and it was verified from the actual market combat. This is the only way to get in touch with consumers,

receive cash and avoid being arrears. **(E2)**

In 1993, Bao-lion Travel Agency was changed to Lion Travel Agency, and Lion Travel Agency and Lion Tourism brand was integrated. One of the most important strategies is to establish a professional image of internationality long-distance travel and expand to internationality short-distance travel on this basis to become a comprehensive travel agency with a full range of product lines. So far, the foundation for organizational stability and the development of the Lion tourism brand has been completely established. **(E3)**

**Table 3: Dynamic capability development during the founding period**

<b>Founding period (1985~1993): Baoshi Travel Agency officially became Lion Travel Agency</b>			
<b>Annual</b>	<b>Event</b>	<b>Position</b>	<b>Process</b>
<b>1985</b>	E1: transfer of management rights	* . Acquisition of equity to stabilize management rights	* . Gradually take over and be able to operate independently
<b>1990</b>	E2: Preparing for computerization , information work	* . Computerized operations and building an information team	* . Introduce information talents and teams  * . Preparation for the establishment of inventory management system and computerized operation system
<b>1993</b>	E3: Integrate travel agencies and tourism brands to become a "Lion" travel agency	* . Specialized and comprehensive product line, and prepare for computerization	* . Establish a professional image of long-distance group travel  * . Massively expand the short-range line based on the long-range line professional
<b>path</b>			
* . Solve internal equity issues first to achieve organizational stability			
* . Introduce information system, change the operating mode of travel industry, save labor costs, improve communication efficiency, and increase operational performance			
* . Establish a professional image of long-distance travel in the industry, and then expand to short-distance travel, becoming a travel agency with a comprehensive product line brand			

**Exploration period: 1994~1999 (5): as shown in Table 4**

When Lion established a branch in the United

States in 1994, it provided a unique global "one-stop" service for tourists with diversified, in-depth and differentiated overseas travel products. **(E4)**

In 1990, Lion tourism began to transform the company into an Electronization, and in 1994, the system was officially connected and put into use. The "online group booking system" after the launch provides transparent and complete group and travel information, allowing company business personnel and direct sellers to provide quick and convenient judgments in the search and reference of group information, and greatly improve communication and transactions Efficiency also helps Lion tourism lay a solid foundation for future networked. (E5)

**Networked period: 2000~2006 (6): as shown in Table 5**

Lion Tourism invested as much as 500 million NTD and about 16.67 million USD in the process of building IT. It also established a technical threshold that is difficult for travel agencies to surpass. Because of the foundation of E-based, the transition to the Internet in 2000 was relatively Easy and fast completion of internal networked. (E6)

In 2006, the transformation of the Internet and

transactions through the website allowed a large amount of information to circulate quickly. After the virtual channels created sales volume and turnover, Lion Tourism has gradually mastered the ability to negotiate prices with upstream airlines and restaurants; Industry integrated marketing, creating high-added value. (E7)

Lion Tourism opened a physical store, in addition to responding to the diversification of Lion Tourism products and catching all kinds of consumers in one go, "planting flags in prime locations as a brand announcement" is the biggest reason for this layout. In order to increase efficiency, in addition to providing travel consultation, the store also sells coffee, organizes art lectures, and also operates communities, cultural and creative marketing, and diversified operations to establish seven major businesses. (E8)

**Table 4: Dynamic capability development during the exploration period**

Exploration period (1994~1999)			
Annual	Event	Position	Process
1994	E4: Establishment of Overseas Branches  E5: The computer system connection is officially launched	* .Spreading across the world, establishing the service and brand image of Lion Travel Group  * ."Online Reservation System" officially launched	*.Services include air tickets, hotels, international group travel itineraries, customized itineraries , business meetings, incentive travel, visa agency, bus rental, etc.  * . The group control information is transparent, can directly grasp the travel information and the progress of the group booking through the computer
<p><b>path</b></p> <p>* .Through the resources of overseas companies, integrate the management of destinations and tourist sources, and provide unique global "one-stop" services with diversified, in-depth, and differentiated overseas tourism products.</p> <p>* . Information-based operating system, saving communication costs, improving transaction efficiency, creating peers differentiation and building barriers to entry for industry players</p>			

**Table 5: Dynamic capability development in the networked period**

Networked period (2000~2006)			
Annual	Event	Position	Process

<p><b>2000</b></p>	<p>E6: Electronization Networked</p>	<p>From to</p>	<ul style="list-style-type: none"> <li>* . Establish e-commerce department and build network access</li> <li>* . DOS system is completely converted into a network architecture</li> <li>* . Integrate all systems into one website</li> <li>* . Construct a standardized process to simplify travel purchases to direct sales on the website</li> </ul>
<p><b>2006</b></p>	<p>E7: Establish a travel website and start an online service system</p> <p>E8: Operating "store-style" services and reshaping the brand image</p>	<ul style="list-style-type: none"> <li>* . Lion's own website</li> <li>* . Established Zhong-xiao Road Flagship Store</li> </ul>	<ul style="list-style-type: none"> <li>* . Lion tourism Network, open e-service network service</li> <li>* . The first online automatic registration mechanism for group travel</li> <li>* . Provide 24-hour non-closing door Entity channel service</li> </ul>
<p><b>path</b></p> <ul style="list-style-type: none"> <li>* .Change the operation mode of the tourism industry, let the information flow quickly, operate faster, and establish a technical threshold that is difficult to surpass in the industry.</li> <li>* . Master the channels, increase bargaining chips, integrate marketing, create added value of products, change the role of Lion Travel Agency, and act as advertising marketer, event planner and disseminator, making the transaction portfolio more diverse, and profits can also follow the increase.</li> <li>* .Lion tourism has 59 bases in Taiwan, with the "multi-platform integration" business strategy, reshape the brand and directly grasp the source of customers.</li> </ul>			

**Growth period: 2007~2012 (5): as shown in Table 6**

In 2011, Lion Travel aimed at the Greater China Economic Circle. It has opened 5 branches in China and can compete with local travel agencies in mainland China. **(E9)**

In January 2011, it was approved to establish the Lion Express Tourist Bus Company, successfully completed the registration on 29 September, and officially began to operate externally in October. Regardless of driving quality, clothing appearance, safety and comfort, it can effectively control and lead high-quality services to create the best time. **(E9)**

In 2011, Lion Tourism cross-industry established

"Xin Media" (XINMEDIA), with Life Style as the core, involved in culture, aesthetics, fashion, leisure, health, entertainment and other life fields, and self-made content reinterpreted the definition tourism. **(E9)**

In 2012, Lion Travel adopted the business strategy of "integration of reality and virtual reality", from raw materials at the source, air tickets, accommodation, catering, transportation, and procurement, to value-added packaging of itinerary planning, as well as terminal access and sales are all managed by its own website And storefront, virtual and real access processing. At present, online e-commerce revenue has accounted for 60% of Lion's total revenue. **(E10)**



**Table 6: Dynamic capability development during the growth period**

<b>Growth Period (2007~2012)</b>			
<b>Annual</b>	<b>Event</b>	<b>Position</b>	<b>Process</b>
<b>2011</b>	E9: Establish a new business office	<ul style="list-style-type: none"> <li>* . Established Lion International Travel Service (Shanghai) Co., Ltd.</li> <li>•</li> <li>* . Established Lion Express</li> <li>* . Established Xin Media</li> </ul>	<ul style="list-style-type: none"> <li>* . Serving foreign tourists entering China for tourism and Chinese citizens traveling in the Mainland, etc.</li> <li>•</li> <li>* . New 25 buses officially put into operation</li> <li>• * . Launched magazines such as "A Trip", "Haoyouqu", "Sence", "Jile Taiwan" etc.</li> <li>•</li> <li>* . From the source air tickets and accommodation, catering and transportation to itinerary planning, as well as the terminal channel listing and sales are all handled by our own virtual and real channels</li> </ul>
<b>2012</b>	E10: Transformation advances through both virtual and physical channels, and large-scale vertically integrated industrial supply chains	<ul style="list-style-type: none"> <li>* . The layout of the automated operation process, from product sales, internal operations and overseas companies, are all implemented in the way of scientific and technological management</li> </ul>	
<b>path</b>			
<ul style="list-style-type: none"> <li>* .Cross the mainland market and become a fully foreign-funded travel agency that can handle inbound and outbound travel</li> <li>* . From labor-intensive to information-intensive, becoming an IT company with a tourist license</li> </ul>			

**Groupization period: 2013~2020 (7): as shown in Table 7**

**In 2013 24 September**, Lion Tourism was officially listed, stock code: 2731, and attracted more than 180,000 people to participate in the subscriptions in total, with an oversubscription of 227 times, which not only reflects that Lion Tourism is recognized by society, but also represents the future development of Taiwan's life industry, It has been affirmed and expected by investors, and it also represents that Lion Tourism has entered another new era. **(E11)**

**In December 2015**, with the development of the organization and the addition of new generations of talents, it moved to the new corporate headquarters. **(E12)**

**In 2015**, the establishment of the group strategy management level was initiated. In addition to mastering the financing tools in the capital market, externally: actively expand the strategy of mergers and acquisitions to enhance the company's competitive advantage and achieve the group's business goals; internally: accelerate the promotion of internal entrepreneurial models,

spin-off competitive operating models and personnel to establish subsidiaries The company, and let the entrepreneurial employees share the capital gain dividend when the subsidiary company goes public in the future. (E13)

Lion Tourism assessed that even if there is a vaccine in 2021 that can alleviate the epidemic, it will be until 2023 that the border controls of various countries will be relaxed and overseas travel will fully make open. As the hardest-hit industry by the epidemic, Lion Tourism has adopted a three-stage strategy. (E14)

**Transformation period: starting in 2020: as shown in Table 8**

Affected by the COVID-19 epidemic in early 2020,

**Table 7: Dynamic capability development during the period of Groupization**

Groupization period (2013~2019)			
Annual	Event	Position	Process
2013	E11: The stock was listed on September 24, code 2731	*. Obtain the injection of "capital market" to compete in Greater China	*.Through the rigorous Fubon team coaching, auditing by Deloitte accountants and strict corporate governance, to obtain the approval of the exchange
2015	•	, into the international arena	
	•		
	E12: moved into the new building and established the new corporate headquarters of Lion	• *. Organizational restructuring and process reengineering, actively integrating human resources	*.Affiliated companies - Jason Global Integrated Marketing, Xin Media, Lion Information, Lion Express, etc., gathered in the headquarters building
	E13: Global layout, Groupization operation	• *.Establish a transnational matrix organization, launch the "promotion and rotation plan" for managers, and accelerate the "rejuvenation of cadres"	*.Established the Strategic Development Headquarters; Business Process Management (BPM), Human Capital Management (HCM), Financial Capital Management (FCM) plans and related projects under each business division
<b>path</b>			
* .Using market funds and technology application methods to link all sub-brands to expand services at home and abroad, and gradually establish the international brand of Lion Tourism			
* .Combine the Group's three core competitiveness—Technical strength, Knowledge strength, and			

Cultural creativity—inwardly and externally  
 \* .Established the Strategic Development Headquarters to integrate global business units, implement organizational restructuring, process reengineering, system support and job rotation policies

**Table 8: Dynamic Capability Development in the Transition Period**

<b>Transformation period (from 2020): transformation into a life and leisure industry group</b>			
<b>Annual</b>	<b>Event</b>	<b>Position</b>	<b>Process</b>
<b>2020</b>	E14: transformation into a life and leisure industry group	* . Reposition travel agency  * . Focus on domestic tourism  * . Cross-foot business life and leisure-related items	* . Grasp the core of the tourism industry: the movement and gathering of people, thus generating economic benefits  * . Actively develop the domestic "experience tourism economy" and fully promote integrated marketing tourism  * . Cooperate with the government's revitalization plan, strengthen the entertainment area and souvenirs  * . The focus of the operation is expanded to cover food; and other commodities
<b>path</b>			
* .Develop a catering brand, and set up a central kitchen to support the subsequent launch of related products. Internally, the Taiwan McKinsey plan is also drawn up to match the sales force of commodities and food to fully boost revenue			

- *Reposition travel agencies*

The core of a travel agency is the movement and gathering of people. As long as people move and crowds gather, consumption behavior will occur, which in turn will drive the economy. Lion Tourism cooperated with government resources to move people to gather. for example, to play in the forest recreation area or take a train and cruise, or even go to the local Council of Agriculture to buy souvenirs. In terms of settlement results, 1/3 of Lion's source of income is travel package products, and the other 2/3 is consumption behavior generated during the process of people moving or gathering.

- *Focus on domestic tourism*

Quickly carry out personnel reorganization, increase the original domestic travel business team

with only 300 people by 5 times to 1500 people in one breath, and launch a variety of wonderful imitation overseas itineraries, including cruise island hopping tours, cruise around the island, etc., and cooperation with the Ministry of Forest Service, 18 national forest recreation areas were repackaged, and in-depth eco-tourism was promoted.

- *Cross-industry operate life and leisure-related items*

Lion Tourism Group announced that it will transform into the life and leisure industry, and opening amusement parks, restaurants, etc. are options for the Lion Life and Leisure Industry Group. The group's "Xin Food Travel" has spent tens of millions to set up a central kitchen at its headquarters in Neihu, Taipei, to increase the

amount of semi-finished products prepared, so as to simplify store work and operating procedures, and speed up the supply process of meals. It is estimated that the annual catering revenue can reach 120 million NTD (about 4 million USD), an annual increase of more than 20%. The revenue is expected to be NTD 1 billion within 5 years. According to the above-mentioned dynamic capabilities "positioning", "process" and "path" method to analyze Lion Tourism, and through the operating income shown in the financial report, as shown in Table 9, to verify the dynamic capability performance. Looking at the development process of Lion Tourism, presented. The number is increasing year by year; and viewed from the number of tour groups, the number of people handled, and the diversity of travel group types, Lion Travel has dynamic capabilities and can create a competitive advantage in a rapidly changing tourism environment, so it can become the Taiwan tour industry No1.

**Table 9: Operating income of Lion Tourism**  
Unit: NT\$1,000

Annual	Amount of Money	Growth Rate
2012	13,348,212	100%
2013	15,854,268	119%
2014	17,689,512	112%
2015	21,004,847	119%
2016	21,875,701	104%
2017	26,783,529	122%
2018	29,621,685	111%
2019	30,160,201	102%
2020	6,545,177	-78.29%
2021	1,762,420	-73.07%
2022	3,300,266	187.24%

**Table 10: Dynamic capability detection matrix**

Event	Plan	Plan	
		Yes	No
something happened and can handle	2. Ability to anticipation and prepare	3. Ability of Strain handling	
no incident	1. Ability to deploy in advance	4. Ability of normal executive	

**Sources of Data:**

1. Public Information Observatory (2021) Lion Travel Service Co., Ltd. (2731) Annual Financial Report 2012-2022; [https://mops.twse.com.tw/mops/web/t57sb01\\_q1](https://mops.twse.com.tw/mops/web/t57sb01_q1)
2. The growth rate is calculated as the ratio of the previous year
3. 2020-2022 is the covid-19 epidemic period

Furthermore, the ability of enterprises to "handle" changes in the environment and how "test" the dynamic capabilities of the enterprise itself have always been valued by business operators. In the field of education, there is Russian psychologist Vygotsky's "proximal development zone" is a dynamic evaluation concept, and Israeli psychologists the "Dynamic Assessment" of the educator **Feuerstein** is the test result; its definition refers to: the teacher's general cognitive ability of children in the way of "test-intervention-retest" or specific subject areas to assess the continuous learning process. In the corporate world, there are different evaluation standards due to the different operating rules of each company. This study, according to the empirical rules of the corporate world, is organized into a dynamic capability detection matrix as the detection basis, as shown in Table 10: The detection capability levels are from high to low, The order is 1. Advanced deployment capability, 2. Expected preparation capability, 3. Contingency response capability, 4. Normal execution capability;

4. DISCUSSION AND CONCLUSION

This study takes Lion Tourism as an empirical case of dynamic capabilities, and adjusts the path direction according to the resource positioning and process of Lion Tourism in the face of external changes in the 35 years (1985~2020); so that it can cope with it calmly and grow rapidly, get performance.

First of all, deploys in advance the competitive advantage in the future, in addition to taking the lead in introducing IT technology management internally, quickly and improving service quality, and increasing profit margins, also externally pre-anticipate future industrial changes and prospects for industrial in progress, and construct barriers for peers to follow up, Maintain a competitive advantage. Second, look for future opportunities from the changing environment, and adjust the internal structure according to future opportunities to meet operational needs. A new business model establishes barriers that the industry cannot break through to ensure leadership and market competitiveness. **Finally**, operate in a "virtual-real integration" manner to save manpower and improve performance.

4.1. Academic Implications

This study makes two theoretical contributions. First, supplement the analysis of dynamic capabilities in the "dynamic" nature. The dynamic capability perspective advocates that the "dynamic" nature of the environment promotes the flexible adjustment of the enterprise. Compared with the previous resource-based theory, which discusses the "internal" of the organization and Porter's five-force analysis, which studies the "static", Dynamic capabilities are more suitable for analysis in industries with rapidly changing environments. It not only considers the changes in the environment; but also considers the operation and cooperation of the internal organization of the enterprise. Second, in-depth discussion of the theoretical connotation of dynamic capabilities. Based on the cases of different industries, the theoretical framework of dynamic capabilities is

**Table 11: Dynamic capability test table**

	Ability to deploy in advance	Ability to anticipate and prepare	Ability of Strain handling	Ability of normal executive
Founding period	1990E2、1993E3		1985E1	√

sorted out, which is reflected in the internal adjustment status, external operational performance and future of the cases, to determine the effectiveness of dynamic capabilities, and accordingly to integrate them become to this study's framework.

4.2. Management implications

The practical management implications of this study can be mainly divided into several points. First, this study can help enterprises to introduce and apply it sequentially according to the theoretical framework; the past experience of enterprises can be organized according to the dynamic capability framework and understand the advantages of their own resources and the enterprise and Internal coordination; so that when the next environmental change or challenge comes, we can calmly deal with it. In addition, the future development of an enterprise will be affected by past investments and organizational rules and habits. Therefore, planning for future trends in advance is an extension of the connotation of dynamic capabilities. Secondly, provide integration cases for other travel peers to refer to and learn from; this study systematically analyzes the vertical integration of the case company and provides the actual integration cases of peers as the basis and goal for future enterprise development reference. Finally, according to the dynamic capability detection matrix in Table 1, the rules discovered in this research process are organized into a dynamic capability detection table 10 for reference by peers.

4.3. Dynamic Capability Test Table

According to the dynamic capability development tables in Tables 3 to 8, the dynamic capability detection table 11 is sorted out according to the conditions of the dynamic capability matrix, which can summarize the different dynamic capabilities displayed in the entire development process of Lion Tourism Enterprises.

<b>Exploration period</b>	1994E4	1994E5		∨
<b>Networked period</b>	2006E8	2000E6、2006E7		∨
<b>Growth period</b>	2011E9、2012E10			∨
<b>Groupization period</b>	2015E12、2015E13	2013E11		∨
<b>Transformation period</b>			2020E14	∨

Take the "advance deploy capability" as an example; in the 1990s, travel industry operations had to rely on a lot of manpower and forms, which was time-consuming and manpower-consuming and made it difficult to review a large number of reports. Therefore, Lion Tourism spent 10 years from 1990-2000 to establishing an E-based system, and when the Internet era came in 2000, it quickly simplified operations with the website, received orders from peers and consumers, and improved profits and market competitiveness. Therefore, it is identified that Lion Tourism has "advanced deploy capability". **(E2)**

Take the "Ability to anticipation and prepare" as an example; in order to expand the scale of operation and to list the stock, Lion Tourism began to increase the capital from 340 million yuan to 800 million yuan in 2011 through capital increase from surplus and cash capital increase to allow employees to subscribe for shares, and its performance has continued to grow and has been recognized by investors. It was officially listed in September 2013 under the stock code 2731. Therefore, it is identified that Lion Tourism has "Ability to anticipation and prepare". **(E11)**

Take "Ability of Strain Handling" as an example; for example, when the COVID-19 outbreak hit at the end of January 2020, the travel and retail industries were hit hard due to border control and crowd isolation restrictions. Lion Tourism quickly adjusted its operation direction in April, transforming from a tourism group to a life and leisure industry group. Lion Tourism quickly adjusted its operation direction in April, transforming from a tourism group to a life and leisure industry group. In addition to first investing international tourism business personnel into domestic tourism, it also expanded other catering, coffee, and life-related business to survive the

difficult period of Covid-19. Therefore, it is identified that Lion Tourism has "contingency handling ability". **(E14)**

Take "Ability of normal executive" as an example; this is the basic capability that all enterprises must possess, and the Lion Tourism mentioned in the case must have this capability if it can maintain normal operation for more than 35 years.

Finally, the comparison of the connotation of dynamic capabilities discussed in this study belongs to the discussion of the responses and results that have occurred. Future research can use "advance deployment" as the connotation to explore the dynamic capability adjustment before the environment changes! In addition, business operation is mainly to create competitive advantages to obtain performance, and the discussion of dynamic capability operation to generate performance can also be used as the direction of future research.

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