**ABSTRACT**

**Objective:** Tourist regions are characterized by a very high complexity and micro-enterprises are the largest group of entities which determine the competitiveness of the destination. However, management of such businesses has a strong specificity. The goal of this paper is to identify the capabilities of managing competitiveness and marketing of this group of entities.

**Methodology:** Literature review, examining and discussing the current knowledge regarding the competitiveness of family tourist micro-enterprises.

**Findings:** On the one hand, small companies have significant limitations compared to larger companies. However, the family nature of the company allows for high flexibility of management. Decisions can usually be made faster and easier, which means that they are able to adapt their offer to the expectations of customers faster and better than large entities. Also, an atmosphere of hospitality and friendship can be easily created. What is more, cooperation with other local entities should result in the ability to offer higher value to consumers.

**Value Added:** Authors, on the bases of literature review have proposed a model that shows relations as an element of building competitiveness of a family tourist micro-enterprises. It appears that these firms have unique opportunities to develop relationships with their customers. Cooperation, quality and communication have been described as key variables responsible for this process, that should result in generating the benefits of re-selecting the services of the company as well as giving them positive recommendations.

**Recommendations:** In the area of family businesses in tourism, there is still lack of empirical studies. That is why, the issues presented in this work should be subjected to empirical verification. Future research should concentrate on the specificity of managing a tourist family micro-enterprise and on possible sources of competitive advantage of a tourist family micro-enterprise in the eyes of customers. Especially, described model should be empirically verified.