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for**

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**Interpreting and analyzing the competitiveness of touristic destination**

Ph.D. dissertation

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## **I. Antecedents and subject of research**

The changes of the touristic market – as the appearance of the individual travelers with post materialistic values, and the transparent sales assured by the internet – made new power relations among the players. These trends assure the possibility of the development for the rural, authentic destinations, but mean challenges as well: as intensifying the competition among the globally known destinations and forcing them to innovate, and making the unknown rural destinations to solve their problems coming from their basic shortcomings. Because of the keen competition among the destinations more and more attention was paid to the competitiveness of the destinations.

I met the theme at the beginning of my doctoral studies, and surprisingly I got the first impulse from the practice, instead of academic literature. During my consulting projects I faced the problems of the Hungarian rural destinations, and the human fates as well as the institutional problems “breathed me in”, and motivated to search for the solutions. In these times I met a very interesting theoretical approach of destinations’ competitiveness, which stated not less than: (...)A destination endowed with a wealth of resources may not be as competitive as a destination lacking in resources but which is utilizing the little it has, much more effectively.” (Crouch - Ritchie (1999) p. 143.) In this train of thoughts I found my own reasoning, particularly because I met promising, small examples of initiations, which proofed the importance of “wanting to do something”. Among my personal commitment, researching the topic was inspired by its practical need: in Hungary the theme of destinations’ competitiveness as well as destination management came to the focus of the touristic practice, governmental decisions as well as literature in the recent past, but all these concepts have not been clear for the experts in practice. All these motivations drove me to study the destinations’ competitiveness in my thesis work and to search for the answer for my starting research question: “How to make a destination competitive?” My research aim was to create a transparent interpreting framework of destinations’ competitiveness, which can be useful for destination- development in Hungary.

Summarizing and evaluating the theoretical background and the empirical researches of the theme served the specification of the interpreting framework based on the following key questions:

- The analyzing dimensions of destinations' competitiveness were explored at summarizing the theoretical approaches of the general competitiveness like external / internal; supply / demand side; macro-/ business economics side (Lengyel, I. (2000); Chikán, A. (2006); Chikán, A. – Czakó, E. (2008); Török, Á. (2005); Findrik-Szilárd (2000)). Defining regional competitiveness helped specifying the interpreting framework with highlighting the following main pillars of the regional competitiveness: welfare (and well-being), productivity, employment, sustainability (EC (1996) In: Lengyel, I. (2003); Porter, M.E. (1990); Czakó, E. (2007)). In the special approach of competitiveness in the business economics, I managed to find that strategic approach, which I found to be adaptable for the destinations' competitiveness: the cluster theory (Porter, M. E. (1998, 1999)), which finally drove my basic research sub questions.
- Interpreting the theoretical background of destinations and the overall models of destinations' competitiveness, evaluating the main connections, and debates over them, helped to specify the sub questions and to create the proposals. (Crouch - Ritchie (1999/2000); Enright-Newton (2004); Heath (2003); Dwyer-Kim (2003); Pechlaner (2003); Tasnádi, J. (2002); Piskóti, I. et al. (2002); WTO (2000); Bieger (1997)). In the empirical research of destinations' competitiveness the demand side approach seemed to have old traditions, but in the last one- one and a half decade, the supply side approach came to the focus. Summarizing the empirical researches served the following consequences. In the Hungarian literature the demand side approach seems to be dominant (e.g. image-analysis In: Kiss-Sulyok (2007); Berács-Malota (2007)). Although only a few empirical researches were driven by theoretical objectives among the supply side researches (e.g. Lengyel, M. (1997); Kovács et al. (2000)). Though it is important to emphasize that numerous destination-development strategies were written to serve the practical approach of the ex ante side of destinations' competitiveness. The indicator-based researches (e.g. Dwyer – Kim (2003); Enright – Newton (2004)) can be named as dominant in the international researches. The indicator-based methodology is highly useful to test settled theories, but using numerous indicators in the framework of experts' research can question the reliability of the research.
- The methodology of case studies (e.g. Flagestad et al. (2009); Wilson et al. (2001)) can serve limited generalization, but it assures a deeper and specified analysis of the connections, which was my basic research objective. That is why I focused on the case studies, particularly on the touristic cluster case studies (Harvard Business School (HBS, 2006-2009); Jackson – Murphy (2006); European Cluster Observatory (2008)).

The cluster-researches can be named as developing trend in researching destinations' competitiveness: mapping the actors as well as the basic characteristics happened in the researches mentioned above, but the deeper connections, the drivers, and success factors were analyzed only in a few researches in details.

As a conclusion of the literature review, it can be said, that the cluster-theory assure an appropriate starting framework to analyze the regional competitiveness, and the destinations' competitiveness as well, since in my interpretation numerous similarities can be identified among the operation of the destinations and the clusters. First of all, in my point view, destinations can be seen as economic-, social-, and environmental unit (based on Flagestad (2002)), on which the network of the destination is built up, so the area becomes the "hub" of competing and complementary actors. Secondly, "(destinations can be seen as – inserted by Sz.I.) conglomeration of competing and collaborating businesses, generally working together in associations and through partnership marketing to put their location on the map." (Jackson-Murphy (2006) 1022.p.) That is why, at the specification of my research question, I focused on those factors of cluster theory, which can explain the destinations' competitiveness, like: the circle and the importance of the players, success-, and failure factors, characteristics of the economic-, social-, and environmental unit, as well as such special topics like the first results of building the destination management organization system in Hungary in the recent past as well as the impacts of the international financial crisis.

My main, wide research question is as follows:

*"How can be the destinations' competitiveness interpreted with the factors of cluster theory?"*

My starting sub research questions were as follows:

1. Who are the main actors of the destinations and among them who can be rated as core actors regarding the destinations' competitiveness?
2. How can be the relationships of among the core actors described?
3. What are the success-, failure factors of the destinations' competitiveness?
4. What kind of resources should be possessed by the economic-, social-, and environmental unit, so as to serve the success of the destination what are the most important factors of the exterior environment from this point of view?

## II. Applied methodologies

To analyze the research topic, case study methodology based on qualitative interviews was chosen. The case study methodology can be defined as follows: “The case study is an empirical methodology, with what actual phenomenon can be analyzed in its same time context, particularly, when the border of the phenomenon and its context are not eliminated clearly. (...) The proofs are built up from data of more sources, which should point to the same direction. The data collection and analysis are driven by theoretical proposals created in advanced.” (Yin (1994) 13.o., In: Radácsi (2000)). The chosen methodology is reasoned by the followings: 1. analyzing the destinations’ competitiveness by cluster-oriented view includes mapping soft factors (e.g. social capital, innovation culture), and identifying success- and failure factors, for what case study methodology is appropriate (Rechnitzer (1998); Palkovits (2000)); 2. Case study is an accepted methodology to analyze the networking actors, and the connections among them in the touristic literature (Dredge, D. (2006)); 3. The case study methodology seems to be one of the main trends in the researches mapping touristic clusters (Harvard Business School, HBS (2006-2009)); 4. The research of the topic is in starting phase, so it can be accepted to use case study methodology.

In my research I analyzed one Hungarian and two international cases. The cases are characterized by the following objectives and methods:

1. Hungarian case – Balatonfüred (town): In the Hungarian case my main objective was to map a successful destination in one of the main touristic region of Hungary, in order to analyze a destination regarded as important by the development politics. The region of Lake Balaton was chosen. In the region, the research destination was chosen out based on the main predetermined factors of destinations’ competitiveness from supply, as well as demand side. Based on my secondary and preliminary primer research, Balatonfüred, a small town with 13 thousands inhabitants was chosen out, because of the dynamic growth in tourist arrivals in the recent past, as well as because the destination seemed to possess the main factors driving productivity (e.g. cooperation, charismatic leader, interest enforce ability).
  - Research objective and methodology: The main objective was to carry out the research as widely as possible, so as to get detailed answers to the research sub questions. Serving this objective, 30 interviews were made in the scene. The following factors were taken into account at choosing the interviewees out: mapping all those groups of actors, which can be seen in the thesis proposals; actors from different geographic place (e.g. old city center, bank of lake, “in the mountain” – far away from the center); searching for strengthening as well as refuting cases in advance and at the scene.

2. International cases – Carinthia and Tyrol (provinces): The possibilities were limited for researching the international cases. At the defense of the thesis proposal, the Committee appreciated my possibilities and reasoning to analyze only a Hungarian case, because of financial limits. Though during my consulting work I was charged with organizing a study tour to Austrian destinations and participating on the trip. The objective of selecting the Austrian destination was to visit a highly and a medium developed region, with different characteristics of the cooperation among the service suppliers. The following destinations were chosen out: 1. Carinthia (Austrian province, medium developed destination with high seasonality, product development in cooperation among the service suppliers, overall destination management); 2. Tyrol (Austrian province, highly developed destination, with balanced seasons, consciously organized, formal touristic cluster, with professional management).
- Research objective and methodology: Because of the limited possibilities, the research was focused on those critical points highlighted in the Hungarian case, like destination management, and success factors. In Carinthia five, in Tyrol one interview was made with the competent experts from destination /cluster management, and the service suppliers.

It is limited to compare the cases finally, as there are different units (Hungarian town, Austrian provinces), and research possibilities (wide Hungarian and limited international research) are in point, but the factors with strategic importance can be highlighted, as well as the differences, and the sameness of these factors. As the result of the research, the differentiated analysis of cluster-oriented view of destinations' competitiveness was carried out, with emphasizing the main differences among the Hungarian and international cases, and among destinations with different development stage.

The validity, reliability and generalization can be named as critical points of case study methodology, and need the permanent attention and reflection of the researcher. In the aim of reaching validity and reliability I focused on the tools suggested in the literature (e.g. clearing the proposals, and role of researcher, assuring anonymity, checking the results by the interviewee, cautious data analysis). Further on, in the aim of generalization, the methodology, as well as the way of crystallizing the consequences was made explicit as deeply as possible.

### **III. Achievements of the research**

The main statements of the research are summarized in Chapters III.1.-III.4. with answering the research sub questions, while the data supporting the answers can be seen in Chapter 5 in my dissertation. Finally an overall model is described in Chapter III.5., as the interpretation framework of the cluster-oriented approach of destinations' competitiveness.

### **III.1. Players of the touristic destinations: core-, and supporting actors**

My proposal was that the groups of the actors in the destinations can be described with that of identified in the cluster-theory, as the destinations possess heterogeneous and numerous actors like the clusters do. The HBS (2006-2009) cluster case studies meant starting points, with describing the actors of the clusters on cluster-maps, with highlighting the following groups: the touristic core sector is in the core of the cluster, which is completed by the suppliers, and the supporting actors. This was completed by that proposal that in Hungary, the municipalities, and the destination marketing / management organizations are in the focus as well.

The results of the empirical research show a tinged picture about the cluster-map of the HBS (2006-2009) researches. The core touristic sector is in a central role in every case. In the international cases the destination management organizations and the bottom-up touristic associations are in the core as well, meanwhile in Hungary, the municipality is in the center, as fulfilling partly the roles of the destination management. In the Hungarian case the major as a charismatic leader as well as an elite-group (including the powerful actors of the leaders of the town, NGOs, and touristic firms) were identified as core-actors as well. The local suppliers and the educating institutions can be seen among the supporting actors only in the case of the formal touristic cluster, where cluster management seems to be key important as well.

Regarding the sameness and the differences, the following statements can be given:

- The main role of the municipality in the Hungarian case can be explained by several factors. In Austria the activity of the destination management organization look back to a long tradition, with important state participation (Bieger, T. (2001)), meanwhile in Hungary the concept of the destination management came to the focus of the governmental development issues only in the last 5 years, and the system of the destination management organizations started to be built out only in the recent past. The main role of the municipality in the Hungarian case can be explained by these, as it has taken the part of the roles of the destination management, which was missing until now. Further on, a part of the tax income from tourism stay at the municipalities in Hungary, and serve as financial resource (for tendering, or for developing attractions, and ancillary services), so the municipality seems to be an important actor with appropriate financial resources. This explanation is supported by that opinion heard in Carinthia, where the municipalities can get to the circle of the decision-maker in the province, if they get power (financial resources) because of the changing touristic-law in the near future.



- In all three cases, it was highlighted that a central coordination is needed. In the case of Carinthia the professional, independent destination management organization played catalytic role in developments, by fulfilling the incubation and the coordination functions. In Tyrol, the development projects are generated by the ideas of the members, but the cluster management still have an important role in supporting the networking, the idea-generation, and -realization. In the Hungarian case, the municipality fulfilled the planning and developing functions of the (missing) destination management, and the touristic association (initiated by the municipality) carried out the tasks of the marketing-communication. It seems that the need of the central coordination is independent from the development stage of the destination, and can be explained by the dominant role of the micro and small size touristic enterprises in the supply, demanding the incubating and coordinating functions. Further explanation can be that characteristic, that all destinations in point can be named as rural, not as “must see”, globally known destination, and need the mutual development as well as mutual marketing-communication activity.
- In the Austrian cases the touristic associations made by bottom-up initiations seem to be among the core actors, who are also involved in the decisions of the development in the province. This can be drawn back to cultural factors, or the factors of the environment of law, which were not included in this research.
- The local suppliers can be seen only in the formal touristic cluster, in Tyrol, meanwhile the contact with these players was only occasional in the developing, and medium developed destinations.

The results of the empirical study reinforced the results of the HBS (2006-2009) researches, regarding the core role of the touristic core supply segment in the destinations, but highlighted the importance of the destination / cluster management organizations, the municipality, and the touristic associations. This can be interpreted as the reasoning for the central importance of the destination management, which can be seen, and was criticized by experts in the model of Crouch-Ritchie (2000), but it is important to mention that this result of my research can not be generalized, as only rural destinations were analyzed. The results of this empirical research reinforced the results of Flagestad et al (2009), considering the importance of different actors in the innovation process of the destination e.g. the catalytic role of the municipality, outsiders as well as NGOs.

### III.2. Characteristics of the relationships among the actors

Productivity stays in the focal points of cluster-theory (Porter, M.E. (1998)). Porter pointed out that productivity is served by factors like the so called “sophisticated competition”, meaning differentiation-, and innovation-based competition, and the social glue (the formal and informal networks, cooperation of the players). My basic proposal was focused on the objective of analyzing the relationships in this view.

#### 1. Characteristics of the cooperation

In the international cases the high cooperating-ability of the service suppliers and the associations of bottom-up initiations could be seen. Meanwhile the cooperation characterizing the clusters can not be highlighted unambiguously in the Hungarian case: strong cohesion can be identified among the actors of the elite, which is driven by the mutual values, and vision, as well as formal and informal relationship networks. Though among the service suppliers the cooperation seems to be very occasional, based on reciprocity, personal contacts, and often full of strained relations. Three areas of cooperation could be identified among the service suppliers:

- *Formal framework – cooperation in the touristic association:* low activity of the members, the association can be named as the organization of “cooperation on the surface”.
- *Groupings, “neighborhoods”- among competing actors:* cooperation among actors geographically close to each other, based on reciprocity and personal contacts, but lack of mutual market behavior.
- *Complementary service suppliers:* Cooperation among the suppliers appearing in the same touristic package: cross-communication is the typical form of cooperation, mutual market behavior (e.g. coordinated mutual packages) is rare.

As conclusion it can be stated, that the day by day contacts, without tensions can be seen in the ‘neighborhoods’, while the product development, as well as the cross, or mutual communication can be seen in the framework of the association, and the complementary services, but all these efforts could not mean concrete and attractive results in the market. The main hindering factors were almost the same at every identified area, and followings can be highlighted: distrust, following egoistic self-interest, the lack of the culture of cooperation, and the difficulties of being small and micro sized firm (lack of resources). In the Hungarian case three dimensions of the cooperation could be identified (elite, association, among the service suppliers). Among these the stable social cohesion could be seen only at the dimension of the elite. The relationship among the association and the service suppliers, as well as the services suppliers and the elite could be evaluated as weak. The cohesion of the system is kept together by the major, and by the local pride strengthened by him and the elite.

The main difference among the Hungarian and international cases can be seen in the area of the cooperation and in the background of what the factors and the characteristics of the business culture can be seen. These can be drawn back to cultural and historical factors, which are out of the spectrum of this research. Some proposals and further researching area can be identified. It can be assumed that the lack of the trust as well as the cooperation in bigger groups can be drawn back to the distrust business culture typical in the COMECON countries (Csepeli, Gy. et al (2004)), and the so called group-collectivism (phenomena of building trust in small groups based on personal contacts, details In: Bakacsi (2006)). Although in Austria the sign of so called institutional collectivism can be realized (phenomena of building trust in organizations, and social institutions details In: Bakacsi (2006)), because of the operation of numerous touristic associations, and their identified networks.

## 2. The characteristics of the competition

In this point view, I analyzed the market behavior of the competing players based on the features of the sophisticated competition (competing in differentiation and innovation), as well as that of the destructive competition (competing in prices, inability for differentiating themselves, unfair behavior).

In the Hungarian case the dimensions of the competition was analyzed in details, and three groups of the competitors were named: “back loggers” (burn out players facing with destructive competition); “flounders” (players facing with destructive competition, but trying to break out with improving quality); and the “developers” (new, dynamic players targeting niche segments, in missing service levels). The sophisticated competition could be realized only at the “developers”, among whom ideas of mutual development arose, but without realization, as it is hindered by difficulties of being a small firm (lack of resources). The sophisticated competition could be realized in the medium developed destination (Carinthia); meanwhile destructive competition could be seen in the service segments facing with overcapacity of the highly developed (Tyrol) and developing destination (Balatonfüred). In both destinations the fierce competition hindered the cooperation.

As conclusion it can be stated, that the destructive competition hinders building trust and the cooperation. The appearance of the sophisticated competition is not impacted by the development stage of the destination, though it is dependent on the strategic view and capabilities of the market players. All these results support the core elements of the cluster-theory (Porter (1990)): the appearance of the so called co-opetition should be supported by formal and informal contacts, and the sophisticated competition. It is important to see that the appearance of these factors are impacted by different others, as the business culture, the power arena, and the development of the destination management. Mapping these relationships deeply drove to more detailed results than those of the earlier researches in the areas of touristic clusters (Murphy-Jackson (2006); European Cluster Observatory (2008)).

### III.3. Success-, failure factors

Raising productivity is the basic source of increasing the welfare of a region (Porter, M.E. (1990)), and operating in a cluster drives to raising productivity through the success factors (e.g. by using mutual know-how-, and labor basis, by innovation) (Porter (1998)). In my proposal connected to all these, I focused on the tourism specific success factors.

Regarding the results, the lack of success factor of one case could be seen as failure factor in another that is why the most typical factors will be highlighted as follows, and named as drivers of the success.

- *Innovation:* Innovation seems to be the most spectacular driver in each case, with different results. In the developing (Balatonfüred) as well as in the medium developed (Carinthia) destination the main aim of the innovation was to decrease the seasonality, and to increase the demand side success. In order to reach this, resounding attraction development was carried out, based on what new segments could be targeted because of the investment of the service suppliers. In Carinthia concrete and marketable, innovative product development was carried out in the cooperation of the service suppliers. In the formal cluster of Tyrol, the aim of the development, among improving demand side success, was to raise the productivity of the players, and keep up with sustainable development, in the framework of projects specialized to reach this objective.
- *Marketing-communication:* In the developing (Balatonfüred) and in the medium developed (Carinthia) destination the marketing-communication is a highlighted factor as well as the result perceived mostly by the service suppliers. The communication was important in the formal touristic cluster as well in the regard of making the results of the developments known.
- *Financial resources:* In all three cases the financial sources (membership fees, tender, governmental or provincial sources) were highlighted. It is important to mention that in Austria the developments carried out in the framework of cooperation is financed partly by the province, meanwhile in Hungary this kind of developments are financed by central tenders for destination management organization, and assure limited framework for the innovative, individual ideas.
- *Destination management:* It was identified that the destination management fulfill catalytic role in each cases. In the Austrian cases the professional, and independent destination management, fulfilling incubating and coordinating roles were important in different measure, while in Hungary the planning and development function of the destination management carried out by the municipality had central role in the success, as well as the marketing-communication activity of the touristic association. It should be highlighted that need arose at the Hungarian service suppliers for getting help in networking, and coordination.

- *The role of micro and small sized companies:* In the Austrian cases the service suppliers were committed to the individual as well as the cooperative developments, with possessing the appropriate strategic view as well as the resources. In the Hungarian case the marketable product development is hindered by the lack of resources (knowledge, human-, financial resources) and cooperation among the players, but the paternalist view (“the town will solve it”), and the low taxing moral causing conflicts could also be seen as obstacles.
- *Formal and informal contacts:* The importances of the formal and informal contacts were emphasized in each case and could be identified as the base for the development of marketable products development. In the Hungarian case the cohesion of the elite seemed to be the catalyst, because of this the resounding attraction-development could be started, while building marketable product packages is hindered by the lack of the cooperation among the service suppliers. The main difference between the Hungarian and the Austrian case could be seen in the social cohesion, which can be drawn back to cultural differences. In both Austrian destinations it was crystallized that the critical mass of the participants is needed in order to realize an effective cooperation, and development. In the formal touristic cluster the critical mass was needed to gather together valuable ideas, while in the medium developed destination it was needed to realize a mutual communication reaching the economies of scale.
- *Sophisticated competition:* The negative correlation among the cooperation and the destructive competition could be seen in Tyrol and in Balatonfüred, which could be drawn back to the lack of strategic view and marketing knowledge of the service suppliers in the concerned supply segments, facing with overcapacity. In the Hungarian case the sophisticated competition could be seen among the players of the “developers”, who fulfilled an important role in the repositioning the destination.
- *Sustainable development:* The question of sustainable tourism development was highlighted in both Austrian cases. In Carinthia the sustainable development was focused on in improving quality management systems serving environment protection, while in Tyrol special, concrete projects were generated in the area of environment and social responsibility. In the case of the Hungarian destination the questions of sustainability have not been realized enough yet.

As a conclusion it can be stated that the drivers of the destinations competitiveness (innovation, marketing-communication, financial resources, destination management, role of micro, and small sized enterprises, formal and informal contacts, sophisticated competition, sustainable tourism development) could be classified under the categories of the success factors made by Porter ((1998) e.g. innovation, developing special resources together; mutual information- and knowledge basis).

The factors described above are included in the model of Crouch-Ritchie (2000) with 36 indicators, excepting the formal and informal contacts, and the sophisticated competition. While Dwyer – Kim (2003) includes all the factors identified hereby, in a system containing 93 indicators, raising the difficulties of analyzing them all. These results show similarities with the model of Heath (2003), excepting the sophisticated competition. As a summary it can be said, that the driving factors could serve a flexible framework for researching destinations' competitiveness, and it could be sophisticated and differentiated according to the stage of development or the touristic positions (e.g. health or nature-based) of the destinations.

#### **III.4. The main factors of the social-, economic-, and natural environment**

In this sub question I focused on the factors which are included in the social-, environmental-, economic unit (endowments) and all those factors of the exterior environment which influence the destinations' competitiveness, with the following results:

- Endowments: Considering attractiveness (demand side success), the endowed resources should be highlighted (e.g. cultural and natural values), which serve the most important attractions of the destinations with additional programs. The accessibility came to the focus in the Hungarian case, where the water accessibility was emphasized among that of public road. The endowed resources seem to be important regarding the supply side success as well: the endowed features determine the basic characteristics of the destination (e.g. seasonality, attractions), but by building man made attractions around them, all these features could be influenced, and endowed resources could be used up to differentiate the destination. The human resources were highlighted regarding the capabilities of the charismatic leader in the Hungarian case, but it was important regarding the skills of the employment mentioned by the “developers” as well. Further on, the business culture, the capability of cooperation seemed to be an important endowment, as well as the outside relationships of the town, which helped the ability of enforcement of the town regarding the tenders.
- Among the exterior environmental factors, the change of the demand was focused on with mentioning the factors of the trends affecting the lake, in the Hungarian case, but also the demand for experience as well as the importance of internet was emphasized. Among the governmental policies the lack of stable economic environment, and supporting national marketing (shadow-effect) was highlighted in the Hungarian case.

The financial sources of those tenders seem to be essential for the micro firms facing limited access to bank loans, but it seems that those tenders forcing the cooperation could not reach their aims effectively. The crisis effected the Hungarian destination deeply in two factors: 1. decreasing solvency of the guests; 2. limited access of financial resources, and stagnating investment.

As a summary it can be said, that the factors of the social-, environmental-, economic unit can be all seen in the overall models of Crouch – Ritchie (2000) and Dwyer – Kim (2003), excepting the business culture, the exterior relationship of the destination, and the special factors of the environment (connected to the crisis, and tenders).

### **III.5. The cluster-oriented interpretation of the destinations' competitiveness**

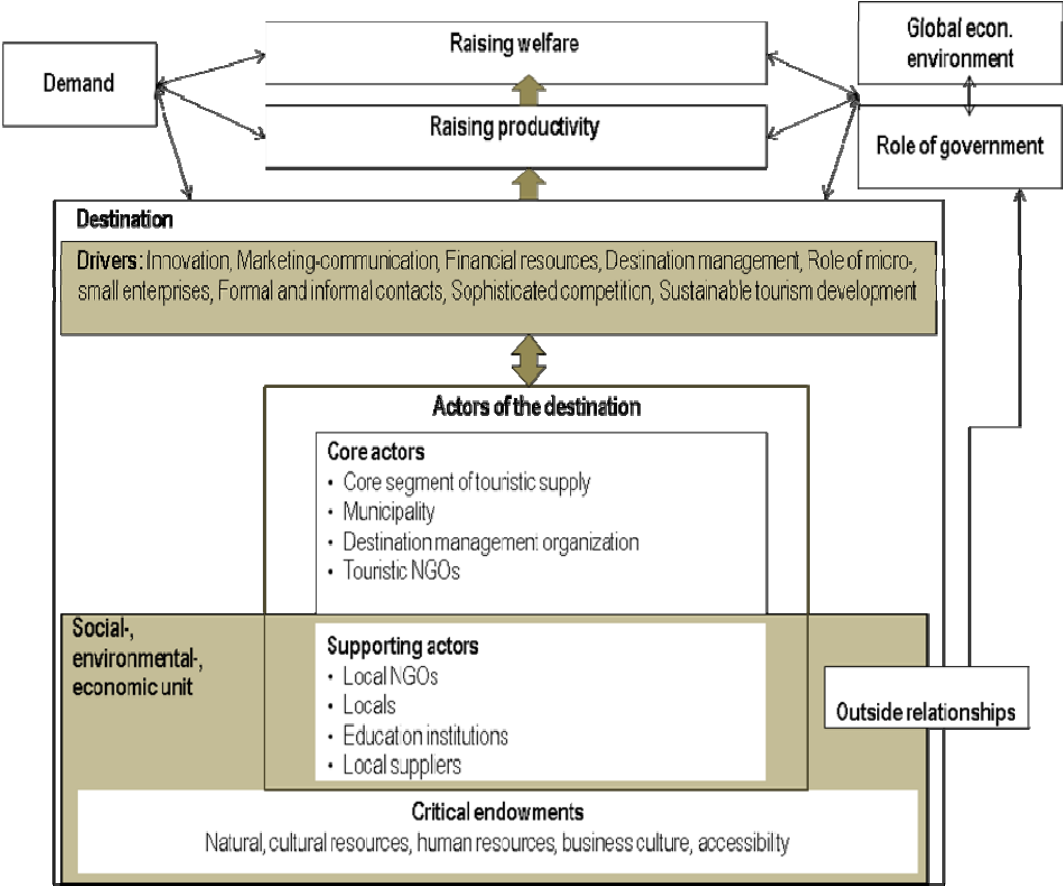
It could have been seen in numerous points that the clusters and the destinations show analogue patterns of the operation (players, relationships, drivers) in a successful case, and the reasons of unsuccessfulness can be drawn back to the basic propositions of the cluster-theory. In the international cases some dimensions of the similarities and the differences among clusters and destinations could be identified. The similarities are as follows: 1. Competing players in the core of the destination, and the importance of the supporting institutions; 2. The importance of the cooperation and the sophisticated competition; 3. The relevancy of the innovation, the mutual development of the resources (e.g. development of attraction, access of financial resources); complementary effect (e.g. product packages, mutual marketing-communication); mutual knowledge base.

The picture should be shaded regarding the differences. In the formal touristic cluster in Tyrol the main factors of the cluster-theory could be seen: the main aim of the development was to enhance productivity, with involving consciously the local suppliers, and the education institutions. This kind of consciousness could not be seen in the other cases: in Carinthia and Balatonfüred the main objective was to enhance the demand-side success, to reduce the seasonality and to make the destination more known by marketing-communication. The central coordination seemed to be an important factor in each case, even in the formal touristic cluster, and this factor was not highlighted in the cluster-theory (Porter (1998)). As a summary it can be said, that the main differences among the destinations and the cluster can be seen in the following areas: in the objective of the development (enhancing productivity at the cluster, improving demand success at the destination); the players of the supporting organization (local suppliers and education institutions can be seen in cluster, but they are not relevant at destination), and the need for central cooperation (appeared in each case, but not emphasized in the cluster theory).

All these results could be accepted with limited generalization, as the international research was limited, and alternative explanation could appear. There are no answers for the questions whether the players in Tyrol could focus on the productivity because they reached the demand-side success, and whether the total destination can be characterized with the high consciousness objective of productivity. All these results are recommended for further research but these differences could show important examples of developed destination management view.

To my wide research question “How can be the destinations’ competitiveness interpreted with the factors of cluster theory?”, the answer will be given in the following interpreting framework could be seen on Chart 1. The cluster-oriented interpreting of destinations’ competitiveness place the emphases to ex ante side of competitiveness with identifying the players, the endowments, the tools, and the conditions needed to enhance the productivity, and welfare of the local area. The drivers of the ex ante side competitiveness (innovation, marketing-communication, financial resources, destination management, role of micro and small sized firms, formal and informal contacts, sophisticated competition, sustainable tourism development) could serve the raising productivity and welfare in the area.

Chart 1. : Cluster-oriented interpreting framework of destinations’ competitiveness





It is important to see that the exterior environment has a relevant role in effecting all these factors, highlighting the demand, as the welfare of the locals is mainly (or partly) dependent on the expenditure of the tourists, so it is a key question to target, satisfy the demand, and to handle all the impacts connected to them. Among the demand, the importance of the government was pointed out as the results of the empirical research in the following areas: the stable economic environment, the tenders, the conceptualized touristic development objectives, as well as the social incentives of travel, or the national brand and marketing. The changes in the global environment seemed to be relevant, mainly in the regard of the impacts of international crisis, as stagnating investments and decreasing expenditure of the tourists. Among all these, other factors can have influence on the destinations' competitiveness, which are described in the paragraph of opened questions, and not included in the Chart 1.

### **III.6. Benefits and importance of the research**

The empirical research and the literature review have added value to the interpretation of the destinations' competitiveness in the following areas:

In the literature review:

- Summarizing the definitions and the theoretical approaches of destinations, destination management.
- Presenting and the theoretical approaches of competitiveness, highlighting and describing in details the most important theories regarding the destinations' competitiveness.
- Highlighting the core points of cluster-theory important from the view of destinations.
- Summarizing and evaluating the most relevant theories of the approaches of destinations' competitiveness.
- Summarizing and evaluating the most relevant Hungarian and international researches, and their results.

In the empirical research:

- Mapping and differentiating the group of actors in the regard of Hungarian and international cases, as well as the stage of development.
- Exploring the relationship among the core actors in a detailed (earlier not researched or not made explicit) way.
- Exploring the driving factors of the destinations' competitiveness in a differentiated way in the regard of Hungarian and international cases, as well as the stage of development.
- Exploring and describing in a very detailed, systematic way of a Hungarian destination development, with highlighting the relevant success -, failure factors.
- Giving a snapshot about the first results of building the destination management organizations in Hungary.

### **III. 7. Future research considerations**

There were some questions, phenomena, and deeper context which were realized but not deeply analyzed in the research, which are suggested for further research:

- The main difference between the Hungarian and the Austrian case could be seen in the social cohesion, which can be drawn back to cultural differences, and suggested for further research.
- The operation of the destination management organization system was not included in this research, but its relevancy could have been seen in the international cases. Analyzing the system in the international cases could serve useful perspectives to the Hungarian system, as well as to the interpreting model.
- The differences among destinations and clusters could be researched in a limited way, so further researches suggested in the area.
- The framework of driving factors could be sophisticated and differentiated according to stage of development or the touristic positions (e.g. health or nature-based) of the destinations, with newer case studies.
- This research targeted to analyze the supply side factors, and to give picture about its connection with demand factors briefly, but detailed analysis of the area is suggested.
- Further important question is to analyze in details the connection among the local welfare, well-being and competitiveness, which could also serve the sophistication of the interpreting model, as well building a quantitative research framework so as to measure and model the results.

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