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**Editorial Office** Academica Turistica  
Faculty of Tourism Studies – Turistica  
Obala 11a, si-6320 Portorož, Slovenia  
Telephone: +386 5 617-70-00  
Fax: +386 5 617-70-20  
E-mail: [academica@turistica.si](mailto:academica@turistica.si)  
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## A Review of Space Tourism Research

**Iztok Bončina**

*University of Primorska, Ph.D. student at Faculty of Tourism Studies - Turistica  
iztok.boncina@guest.arnes.si*

Since 2001, when the first tourist flew to the International Space Station and then six others after him, space tourism can be considered a reality. Although space tourism remains in its pioneering stage, it has been attracting research studies since the beginning of the 1990s. As a relatively new tourism industry, it is opening up new aspects of research in the fields of technology, economics, sociology, law, medicine, safety, insurance, and others. The purpose of this paper is a comprehensive review of the research areas of space tourism. The available scientific articles, books, contributions to scientific conferences, symposia and workshops dealing with space tourism have been reviewed. Following careful analysis, we have identified the most important space tourism research trends, as well as the scientists who have contributed the largest number of publications. We have also recognized the under-represented areas that would be suitable for further studies.

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*Keywords:* space; tourism; flights; orbit; literature

### Introduction

Space tourism has become a reality, although it remains in its pioneering stage. Currently, only people who can afford to spend between 20 and 30 million dollars can fly to the International Space Station, orbiting the Earth. However, as predicted by Ciccarello and DeMicco (2008, p. 15), the 21<sup>st</sup> century might see the greatest development of space tourism in the context of the tourism industry, which is constantly looking for new products and destinations. Studies have shown a desire to travel into space. Since the 1980s, many organizations have attempted to introduce space tourism, but high costs have prevented commercial forms of spaceflight (Klemm & Markkanen, 2011). Until 2001, when the first tourist flew into space, only a very minor part of the scientific literature was dedicated to the study of space tourism. Since 2001, tourism studies have begun to explore commercial spaceflight in many areas, although to

date only a handful of tourists have flown in Earth's orbit, and we still await the first suborbital passenger. The number of scientific publications, conferences and symposia dedicated to space tourism has also increased. In this review, we will examine the current publications of the scientific literature in the field of space tourism and attempt to identify the most important investigation guidelines of this new tourist industry.

### The Purpose of the Literature Review

The purpose of this literature review is to identify the most important areas of this new tourist industry in the making, studied by the authors around the world. The review aims to discover the main trends of research of space tourism as well as the areas that receive less attention. We want to identify the most relevant authors, the most useful literature, and the scientific contributions in the field of space tourism.

### The Current State of Space Tourism

The term “space tourist” is not currently widely accepted, but it is the most commonly used. To Klemm and Markkanen (2011, p. 95), the more appropriate term seems “public journey into space” or “private space flight”. The European Space Agency (ESA) (2008, p. 19) use the term space tourism “[...] to mean suborbital flights by privately funded and/or privately operated vehicles and the associated technology development driven by the space tourism market.”

Goehlich (2007, p. 215) suggests two definitions of space tourists. The first defines space tourists as passengers who pay for a flight into space, above Earth’s atmosphere. The second defines the space tourists in a broader sense, as visitors to the attractions that simulating the “experience” of space (space theme parks, camps to prepare for space flights, virtual reality centres, interactive multimedia games, etc.) or tourists who take part in a variety of flights in the atmosphere, which, however, do not reach outer space (stratospheric and parabolic air flights). In this study, we will focus mainly to the two forms that can currently reach space: orbital and suborbital tourist flights.

#### Orbital Flights

Orbital flight occurs when a spacecraft reaches Earth orbit (an orbit is a gravitationally curved path of an object around a point in space) high above the atmosphere. The height of the so-called low-Earth orbit is somewhere between 160 and 2,000 kilometres. Orbital spacecraft are capable of extended periods in space, from two weeks (e.g. a Space Shuttle) to months and years for orbiting platforms, such as the International Space Station (Anderson, 2005, p. 58).

The first manned space flights to Earth orbit was on 12 April 1961, when Yuri Gagarin flew the Vostok 1 spaceship to orbit, and remained there for 108 minutes. Forty years later, in April 2001, the first space tourist Dennis Tito flew into space. He spent a week at the International Space Station (ISS) and paid the Russian Space Agency \$20 million for this flight. He became a symbol of the development of space tourism (Livingston, 2001). Since Tito, there have been six space tourists in orbit: Mark Shuttleworth (South Africa) in 2002, Gregory Olsen (USA) in 2005, Anousheh Ansari (USA/Iran), Charles Simonyi (USA) in 2007 and in 2009, Richard Garriott

(USA) in 2008 and Guy Laliberté (Canada) in 2009. These are the seven participants that can currently be characterized as space tourists<sup>1</sup>. The Space Adventure travel agency from Virginia, which organizes tourist flights into orbit in cooperation with the Russian Space Agency, announced a new tourist space flight for 2015. The flight is scheduled for the singer Sarah Brightman (Giacalone, 2013: 643).

#### Suborbital Flights

A suborbital flight is each flight of a special craft reaching a height of 100 kilometres<sup>2</sup> and returning to Earth. It takes anywhere from 2.5 to 3 hours, with passengers experiencing weightlessness for about five minutes. The leading company for the suborbital flights is currently Virgin Galactic, which won the Ansari X-Prize and received \$10 million for successfully launching the SpaceShipOne above 100 km twice within two weeks in 2004. (Burić & Bojkić, 2007). Their new craft, SpaceShipTwo, can carry six passengers to a height of 110 km. Virgin Galactic has already received over 700 passenger payments (\$200,000 each) for participation in suborbital flights. Other companies actively testing craft for suborbital flights include Armadillo Aerospace, Bigelow Aerospace, Blue Origin, Planet Space, Space Dev, SpaceX.

### Methodology of the Literature Review

We have reviewed the scholarly books in the field of space tourism available at some of the largest online bookstores (Amazon, Barnes & Noble, Books at Half, Google Books), published mainly in English, and have identified 23 publications that focus directly on space tourism. We also searched for scholarly books and articles with the help of the online scientific information databased Science Direct and Space Future. The latter offers over 220 papers focusing on space tourism. Further titles were discovered by reviewing the references in the published literature. The literature was then further analysed and divided

- 1 Some authors consider the first tourist to be Japanese journalist Toyohira Akiyama, who flew to the Russian space station Mir in 1990. The flight was paid by the Japanese television company TBS (Akiyama, 1993).
- 2 The boundary at 100 km is called the Karman line and roughly represents the administrative border between Earth’s atmosphere and space. It was defined by the International Aeronautical Association.

into eight space tourism study areas addressed by the authors. Given the fact that we can consider the year 2001 to be the start of orbital space tourism and that the suborbital commercial spaceflight began three years later (although, due to the technical and administrative reasons, no tourist has yet to make such a flight), priority was given to the selection of literature published after 2001.

### The Most Important Authors and Fields of Space Tourism Investigation

Examination of the selected literature identified eight in-depth researched areas or aspects of space tourism:

Research area	Author
Space tourism market research	Abitzsch, S. (1996) Barrett, O. (1999) Burić, T., & Bojkić, L. (2007) Collins, P., et al. (1995) Crouch, G. I., & Laing, J. H. (2004) Devinney, T., et al. (2006) O'Neil, D. et al. (1998a, 1998b) Reddy, M.V. et al. (2012). Webber, D. et al. (2002) Webber, D., & Reifert, J. (2006)
Economic aspects of space tourism	Bensoussan, D. (2010) Collins, P. (2006a) Collins, P., & Autino, A. (2008) Eilingsfeld, F., & Schaetzler, D. (2002) Goehlich, A. R. (2007) Livingston, D. M. (2000a, 2001a)
Legal aspects of space tourism	Collins, P., & Yonemoto, K. (1998) Dunk, F. G. (2013) Eilingsfeld, F., & Schaetzler, D. (2002) Livingston, D. M. (2001b, 2002) Masson-Zwaan, T., & Freeland, S. (2010) Seedhouse, E. (2008) Yehia, J. A., & Schrogl, K. U. (2010)
Medical aspects of space tourism	Apel, U. (1999) Kluge, G., et al. (2013) Marsh, M. S. (2006) Mitarai, G. (1993) Seedhouse, E. (2008)
Spaceflights directly connecting places on Earth (point-to-point)	Peeters, W. (2010) Webber, D. (2010, 2013a)
Technological aspect of space tourism	Anderson, C. E. (2005) Zakaria, N. R., et al. (2011) Goehlich, A. R., et al. (2013) Collins, P., et al. (1994b) Livingston, D. M. (2000d) Giacalone, J. A. (2013) Rogers, L. (2008) Torikai, T., et al. (1999) Webber, D. (2005)

Research area	Author
The analogy of space tourism with some other areas of tourism	Fawkes, S., & Collins, P. (1999) Robson, S. (2003) Spennemann, H. R. D. (2007a) Stine, G. H. (1996) Webber, D. (2003)
Development trends in space tourism	Collins, P. (2002, 2003a, 2003b, 2006c) Favatà, P. (2001) Genta, G., & Rycroft, M. (2006) Goehlich, A. R., & Schumann, D. (2004) Hilton, B. (1967) Kramer, R.W. (2011) Martinez, V. (2009) Nair, G. M., et al. (2008) Spennemann, H. R. D. (2007a, b) Srivastava, M., & Srivastava, S. (2010) Webber, D. (2012)

Based on the number of articles in various scientific journals and papers at various scientific conferences, symposia and workshops, the following authors were identified as the most important in the field of space tourism: P. Collins, D. Webber, D. M. Livingston, G.I. Crouch, D. Ashford, R. A. Goehlich.

### Space Tourism Market Research

Since the early 1990s, approximately ten in-depth market studies of space tourism have been conducted. Particularly in industrialized countries, the studies were carried out by independent researchers, governments, various organizations or private companies that wanted to support their intention to invest in space tourism with concrete numbers (Crouch, 2001). Most studies have been conducted by Collins and others who have studied public interest in tourist space flights in Japan (Collins et al., 1994; Collins, Stockmans, & Maita, 1995) as well as in Canada and the United States (Collins, Stockmans, & Maita, 1995). The results of studies conducted in the U.S. on a sample of 1,500 American families were reported by O'Neil and others (1998a, b); this study was jointly conducted by the National Aeronautics and Space Administration (NASA), the Space Transportation Association (STA) and Georgetown University. Abitzsch (1996) studied the German market in 1996, and Barrett (1999) repeated his studies three years later, this time in the UK. How interested Australians were in space travel and how much they would willing to pay for it was studied by Crouch and Laing (2004). One of the most extensive and in-depth market stud-

ies of space tourism was conducted by Futron/Zogby in 2002. The study was expanded and complemented in 2006 (Futron, 2006). It is considered a reference for orbital and suborbital flights (Webber et al., 2002; Webber, 2003; Ziliotto, 2010).

### Economic Aspects of Space Tourism

The authors agree that space tourism as a future new tourist industry can be economically and socially highly beneficial. Primarily, it can create new jobs in the field of transport, astronautics, tourism and related fields (Livingston, 2001a; Collins, 2006, Collins & Autino, 2008). While authors in the 1990s were still doubtful whether there was a potential market for tourist space flights (Collins, 1997), in the 21<sup>st</sup> century their focus is on the process of development of space tourism (Beery, 2012), the financial model for the maintenance of space tourism (Livingston, 2000a; Eilingsfeld & Schaetzler, 2002) and the development of products and services related to space tourism (Goehlich, 2007). Space tourism also raises new demands and risks, as well as new opportunities in the insurance sector. As Bensoussan writes (2010, p. 1633), the design of an adequate and affordable insurance regime for future space tourists is an important step towards the development of space tourism market.

### Legal Aspects of Space Tourism

Collins (1998) was one of the first authors to propose the preparation and regulation of both national and international legislation concerning future space



flights. In his opinion, the most suitable model that could be emulated is that of the civil aviation industry. Wollersheim (1999) agrees but points to a number of complications that may arise in adapting existing laws to the new space tourism industry. He finds the preparation of entirely new legislation in this area to be a more sensible approach. Dunk (2011) notes that this issue is crucial and remains unresolved. In addition to the aviation law, he refers to legislation in the field of adventure tourism as a useful model for space tourism. The only author writing about the importance of ethical standards in space is Livingston (1999, 2000b, 2001b, 2002). He proposes the creation of an ethics code for commercial spaceflight that would, among other things, establish relationships between employees in the aerospace industry, respect for environmental values, and relations between prospective settlers and visitors to the Moon.

#### Medical Aspects of Space Tourism

Various factors (take-off and landing forces, weightlessness, vibrations, noise, radiation, etc.) affecting the human body during space flight have been explored on cosmonauts and astronauts for decades, ever since the first space launch; preparations and exercises are also adapted to these factors. Therefore, the medical aspect of commercial spaceflight is the most comprehensively covered of all the aspects of this literature review. However, as noted by Apel (1999), professional astronauts are chosen very carefully, mostly from among the best air pilots. For future space tourists, the trainings and stress tolerance during space flight will have to be adapted to different ages, genders, cultural backgrounds and levels of physical fitness. In order to avoid health problems, it will be necessary to take into account certain medical standards of both crew and passengers on commercial spacecraft (Seedhouse, 2008). For Marsh (2006), an important ethical aspect of spaceflight is ensuring that passengers and their personal physicians are well informed about potential health hazards of such tourism.

#### Spaceflights Directly Connecting Places on Earth (point-to-point)

One of the promising future forms of spaceflight that will be useful for tourist are the commercial spacecraft flights that directly connect places on Earth.

In this case, the spacecraft is launched into lower or higher orbit at one point the Earth's surface and then lands on another. In this manner, the flight time can be shortened; a flight from New York to Tokyo by plane usually takes 13 hours, while in this case would only last an hour and a half (Peeters, 2010). A relatively high ticket price will be offset by time savings, and we expect these flights to be of interest to business executives (Ibid.). Webber (2013) does not entirely agree with this and presents an analogy of point-to-point flights to the Concord, where more than 20 per cent of passengers were wealthy individuals, film stars, athletes, etc. Webber (2010) also points out the lack of research on the potential market for space flight directly connecting places on Earth, about which is so little is known.

#### Technological Aspect of Space Tourism

Space tourism is highly dependent on the development of space technology. Currently, orbital tourists can only stay on the International Space Station and fly on spacecraft intended and designed for professional astronauts or cosmonauts. Crafts for tourist suborbital flights have already been built but remain in the testing phase. Therefore, authors writing about the technological aspects of space tourism consider safe, reusable spacecraft, adjusted for tourist flights (Torikai, 1999; Livingston, 2000d; Anderson, 2005; Seedhouse, 2008). Collins, Akiyama, Shiraishi and Nagase (1994b) go a step further and point out the necessity for a suitable interior design of spacecraft and services that the passengers will enjoy during the flight. Alongside the construction of these technologies, it will be necessary to devise suitable launch facilities or "spaceports", where the prospective tourists will board the spacecraft (Webber, 2005; Zakaria et al., 2011).

#### The Analogy of Space Tourism with Some Other Areas of Tourism

Space tourism is a new tourist industry still in the phase of developing its own standards, requirements and needs. To improve the presentation and perception of space tourism, some authors, therefore, look for analogies with other, long-established forms of tourism. Most often, they make comparisons with the development of flights (Webber, 2003, 2013b) and adventure or extreme tourism (Spenneman, 2007).

Even before the beginning of the space tourism, an interesting analogy was made by Fawkes and Collins (1999). Future hotels in orbit were compared to passenger cruise ships that sail on the high seas, are self-sufficient, and the passengers cannot leave them whenever they want. The authors also speculate that, based on experience with cruises, some shipping companies could become major investors the future orbital hotels (Ibid.).

#### Development Trends in Space Tourism

Although space tourism is at an early stage, many authors have discussed more far-reaching goals of development of this industry in the future. Technologies for certain forms of space tourism already exist (suborbital and orbital flights, flight to the Moon and back), while the rest remains to be developed (Srivastava, 2010, p. 47). Most authors considering the future of space tourism refer to the development of space habitats (hotels) in orbit (Favata, 2001; Goehlich & Schumann, 2004; Martinez, 2007, 2009). The idea of a hotel in the Earth's orbit is not new, as it was introduced by Baron Hilton well over a decade ago (1997) at a conference of the American Astronaut Association. More futuristic forecasts of space tourism in the articles deal with commercial flights to the Moon and back (Collins, 2006c; Spennemann, 2007a, b) and permanent settlements on the Moon and Mars (Nair et al., 2008). Tourists' interest for these destinations can encourage potential investors (Spennemann, 2007). Broader discussions on commercial tourist flights to the other reachable Solar System bodies (mostly asteroids and moons of major planets) were not found in the literature. Due to the technological and human factors, manned space flights to these bodies are currently impossible and are not expected in the next few decades.

#### Conclusion

The literature on space tourism reflects the fact that this is a new kind of tourism in the making. There are simply not enough tourists going into space in order to draw in-depth conclusions; even the few tourists that have gone have only experienced the orbital flight. However, based on the number of articles published in scientific journals, contributions to numerous scientific conferences and published scientific books, we can conclude that the interest among

scientists for following the exploration of space tourism is considerable. Most of the contributions published in the 1990s predict that space tourism as an industry that will flourish in the near or distant future. We also found incorrect assumptions in the literature: for example, the anticipation of suborbital tourist flights before orbital flights (Fawkes & Collins, 1999). However, since 2001, when the first space tourist, Dennis Tito, flew into space followed by a few others, authors are discussing space tourism as a real fact of our time. More in-depth studies can be expected with the commencement of suborbital tourist flights. In the literature, we most often noted the interest in the study of space tourism from the perspective of economics, law, medicine, and historical analogies, such as development of the aviation industry, adventure tourism, etc. Some authors seek to address more futuristic predictions about the hotels in orbit, direct transport between places on Earth through space or tourist flights to the Moon and Mars. In addition to these areas, space tourism brings new avenues of research that the literature currently only scarcely covers. Apart from the contribution about space tourism in the book *Cosmic Society: Towards a Sociology of the Universe* (Dickens & Ormrod, 2007), we did not find a broader study of the sociological and psychological aspects of commercial space travel. With the exception of Livingston, there is also no research to be found on the ethics of space tourism or its ecological impact. Studies of motivation of potential space tourists are also insufficient. Some market surveys do ask questions about the motives for space travel, but the answers raise suspicions that the respondents were not informed about the specific features, requirements, preparations and dangers they can expect during space flight.

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# Entrepreneurial and Customer Orientation as Predictors of Innovativeness in Tourism Firms

**Doris Gomezelj Omerzel**

*University of Primorska, Faculty of Management  
doris.gomezelj@fm-kp.si*

Entrepreneurial orientation and customer orientation are two separate yet complementary strategic orientations that influence the innovation activities of firms. Empirical studies have separately analysed the dimensions of entrepreneurial orientation and customer orientation in relation to firm-level innovation activities. Scholars have focused to the relationship between customer orientation, entrepreneurship orientation and innovativeness in different organizations, but only a few such studies exist in the tourism sector. The purpose of this paper is to present the results of a preliminary study of the field of innovation in tourism. Entrepreneurial orientation and customer orientation as predictors of innovativeness in tourism firms are introduced, and the results and findings of the analysis and some perspectives on tourism innovation are presented.

*Keywords:* tourism, innovation, entrepreneurial orientation

## Introduction

The tourism industry is fast-growing and competitive. In consideration of the number of employees in this sector and its influence on the social and economic development of regions and countries, it can be characterized as the leading service activity around the world (Holjevac, 2003). Travel and tourism's contribution to the global GDP has been growing in recent years; more than four million new jobs were created in the tourism sector in 2012 (WTTC, 2013). The tourism industry seems to perform better than the wider economy. The numbers of international tourist arrivals worldwide showed uninterrupted growth from 528 million in 1995 to 1087 million in 2013; moreover, they are expected to increase by 3.3% annually, doubling the 2010 figures by 2030 (WTTC, 2014).

Firms in the tourism sector have to satisfy increasingly demanding clients, which compels them

to innovate. Through innovation, they will be able to remain competitive. Previous studies that focused on the factors affecting innovation have been restricted to the manufacturing sector (Hjalager, 2010). Service activities are increasingly important in the global economy; therefore, measuring the antecedents of innovativeness as also the innovativeness itself in the service company is becoming a challenge for researchers (Miles, 2003; Eurostat, 2009). This paper presents the results of a survey dealing with the correlation between the entrepreneurial orientation dimensions, customer orientation and innovations. The primary object of the analysis is innovativeness in the tourism sector. In performing this research, we would like to answer the question: What is the correlation between the entrepreneurial orientation dimensions, customer orientation and innovation?

### Entrepreneurial Orientation

Entrepreneurs are those who are responsible for imbalances in the market. Schumpeter (1934) called them “creative destructors”, because they may affect the preferences of consumers with their innovation and new standards. Later, Schumpeter (1965) described the entrepreneur as “an idea man and a man of action who possesses the ability to inspire others, and who does not accept boundaries of structured situations. He is a catalyst of change that is instrumental in discovering new opportunities, which makes for the uniqueness of the entrepreneurial function”. The entrepreneur is an innovative thinker, promoter and a creative organizational player (Bird, 1989). The entrepreneur should be able to recognize a market opportunity for a new product or service, new methods, new techniques, new strategies, and new ways of delivering a problem. Moreover, with his proactive characteristics, the entrepreneur should implement the results of innovative thinking. Therefore, it is the entrepreneur who changes the environment and the existing system.

Entrepreneurs in the tourism industry often lack business skills, and their ability to be creative and to innovate is modest (Lerner & Haber, 2000; Morrison et al.; 1999). Entrepreneurs differ in their various characteristics (McClelland 1961; Rotter 1966; Timmons 1978). Their orientation differs in being opportunistic, innovative, creative, imaginative, restless, and proactive (Chell et al., 1991). Their traits, such as the need for achievement, internal locus of control, and a risk-taking propensity, are distinguishing elements of their behaviour (Brockhaus, 1982). Leibenstein (1968) focused on creativity and stated that creative entrepreneurs develop new ideas, identify market opportunities and successfully create added value.

Goldsmith (1984) studied the influence of entrepreneurial orientation on their ability to solve problems and be innovative. Moreover, Zhao, and Seibert (2006) stressed the significant role of entrepreneurs’ characteristics in innovative behaviours. As argued from the abovementioned scholars, it seems that the entrepreneur’s orientation can influence his firm’s innovativeness capability. Aiming to survive in this era of global changes, today’s businesses have to acquire entrepreneurial competence. In order to be entrepreneurial, an enterprise needs to have particular characteristics.

In the past, research in the field of entrepreneurship was mainly focused in the process of the creation of new businesses and analysed all the potential factors influencing this process. Recently, however, the scope of entrepreneurship has surpassed these frameworks; consequently, new fields of studies have been born, mostly dealing with possibilities of establishing companies based on innovation, as well as emphasizing the fact that only innovative companies can be competitive and successful.

The role of the entrepreneur himself, or the entrepreneurial orientation within the company, and the correlation with innovation capacities in the firm is the research topic of several authors (Zhao & Seibert, 2006; Avlonitis & Salavou, 2007; Hjalager, 2010; Ahlin et al., 2014). Ugalde-Binda et al. (2014) confirmed the existence of a positive and significant relationship between structural and relational capital and innovativeness. Some authors have studied the impact of entrepreneurial orientation on the various elements of performance, such as sales growth, return on equity, and return on assets (Tang et al., 2008; Moreno & Casillas, 2008; Hui-Li et al. 2009; Casillas et al. 2010; Andersen, 2010), while others have analyzed the factors that may influence the development of different entrepreneurial orientation dimensions (Casillas et al., 2011; Cruz & Nordqvist, 2012). In these studies, the most commonly used dimensions of entrepreneurial orientation are innovation, proactiveness and risk-taking, while some authors have added competitive aggressiveness and /or autonomy.

In some cases, such a conceptualization of entrepreneurial orientation may be too narrow to satisfactorily explain the innovation processes in the services sector (Boling, 2012), so we decided to add a dimension of customer orientation, which also impacts innovation in service enterprises (Tajeddini, 2010). The dimensions of entrepreneurial orientation can be moderated by external environmental factors, including dynamism, complexity and industry characteristics, as well as by internal firm characteristics, such as size, structure, strategy, strategy-making processes, firm resources and culture (Lwamba et al., 2013).

### Proactiveness

Proactivity refers to the ability to anticipate future needs by seeking new opportunities that are not nec-

essarily associated with the ongoing activities of the company. It also means a presentation of new products and services that are a step ahead of the competition. It requires following the strategy of the elimination of products and services that are mature and therefore in the declining stage of their life cycles (Venkataraman, 1989). Proactiveness is, therefore, the ability to recognize the market's future trends. Aiming to become leaders in the market, proactive firms in the manufacturing sector ordinarily produce new products and services. Such firms are also able to respond to market opportunities (Miles & Snow, 1978). Proactiveness is a tendency of being ahead of competitors when introducing products (Lwamba et al., 2013). Pro-activeness actively seeks opportunities, and has the capacity to introduce new products or services ahead of the competitors. Proactive firms can anticipate future demand; they create change and shape the environment (Lumpkin & Dess, 2001). Similarly, Stevenson and Jarillo (1990) defined proactiveness as a firm's capacity to recognize favourable business opportunities, which can lead them to higher economic performance. Kreiser et al. (2002) emphasized that innovativeness and risk taking has received much more attention from researchers in the area of entrepreneurship than proactiveness has.

#### Risk Taking

Risk taking is about entering the area of the unknown. Organizations have to take risks; if they do not, they may lose market share in a turbulent environment (Covina & Slevin, 1991). The risk-taking dimension is very closely linked to innovation and proactiveness, which means that companies that are proactive can better perceive the opportunities in the market, and in the larger environment. If they are disposed to take risks and are, therefore, willing to accept a higher level of risk in exploiting these opportunities in the market (Tang et al., 2008), they will probably succeed in the introduction of new products and services on the market. Firms that do not like to take risks will be late in introducing innovations and will not succeed in exploiting opportunities in a dynamic global market environment. This can result in operating in a small market (Hughes et al. 2007). Risk taking is historically the first attribute of entrepreneurs and has long been defined as the

ability to face uncertainty, and the intention of investing resources with the aim of taking advantage of uncertain opportunities. Firms that decline to take risks usually adopt a decision before they even have all the necessary information from the global environment (Lumpkin & Dess, 2001).

Risk taking is the degree to which entrepreneurs are willing to make large and risky actions, also those with a big chance of expensive failures (Miller & Friesen, 1978). In the literature, inconsistencies remain regarding the definition and measurement of risk taking. While studying risk taking, Martin and Lumpkin (2003) focused on the investments of personal assets and the degree of tolerating debt, while other researchers linked risk taking to innovation (Benson, 1991), to performance (Gomez-Mejia et al., 2007), or to debt levels (Mishra & McConaughy, 1999).

In their study, Kraus et al. (2011) showed that turbulent environments have positive effects on the performance of innovative SMEs, but the level of risk should be minimized and SMEs should avoid overly risky projects. Entrepreneurs often invest a significant proportion of resources in a risky project (i.e. where the great possibility of failure exists). It is essential to focus on moderated and cautious risk-taking instead of uncontrolled risk-taking (Morris et al., 2008). Although it is expected that the risk-taking behaviour be positively related to the financial performance of the SME, many studies concluded that risk-taking was not positively related to firm performance. Swierczek and Ha (2003) found this to be so in a sample of firms in Vietnam and Thailand, while Hughes and Morgan (2007) acquired similar results in their study among incubating firms in UK.

#### Autonomy

The individual is autonomous when he is able and wants to independently decide about opportunities (Lumpkin & Dess, 1996; Arzubaiaga et al., 2012). This also means a desire to be independent in decision-making. Entrepreneurs with a high degree of autonomy appreciate the importance of individualism and freedom; they usually contradict the rules, procedures, and social norms (Kirby, 2003). Children should be trained and educated to be highly autonomous; they should be acquainted with responsibilities are linked with freedom (Gibb, 2002). In the con-

text of entrepreneurial orientation, autonomy seems to be an important dimension when aiming to enhance the strengths of the company and to improve business performance (Kanter, 1983). Autonomy is positively related to innovation; it preserves and enhances competitiveness and, consequently, positively influencing the efficiency of enterprises (Arzubiaga et al., 2012). Being independent and free is almost a necessity for the individual in the process of the creation of a new venture (Lee & Peterson, 2000). A lack of autonomy can lead an individual or company to passivity (Hughes et al., 2007).

#### Competitive Aggressiveness

Competitive aggressiveness is the mode in which the company responds to competition in the market and a way of reacting to market trends and demand (Lumpkin & Dess, 2001). The organization should understand its competitors as a kind of enemy that needs to be overcome. If they do so, they make use of competitive aggressiveness (Hughes & Morgan, 2007; Lumpkin & Dess, 1996). Competitive aggressiveness is designed to defend the market position and to fight against everything that threatens a firm's survival (Short et al., 2009). It is sometimes difficult to distinguish between being proactive and being aggressive, because these two dimensions are extraordinarily correlated. In their study, Lwamba et al. (2013) measured the competitive aggressiveness with variables from competitive marketing strategies, which can help in increasing sales with changes in pricing and distributive channels. If a new product or service is an imitation of an existing product, this kind of competitive aggressiveness can be understood as reactive (Zellweger & Sieger, 2012). A firm that makes use of competitive aggressiveness is willing also to use non-traditional methods of competition, e.g. new types of distribution or other new marketing activities.

Martin and Lumpkin (2003) agreed that nowadays entrepreneurs focus more on profitability than on gaining market share, which is why the level of competitive aggressiveness decreases.

#### Customer Orientation

Marketing has a special role when firms are implementing business models and strategies. Because of the increasingly competitive global environment,

firms have to offer quality products and services to customers (Day & Wensley, 1988). Being customer oriented means being focused on consumers and their needs. Only by creating customer satisfaction can firms make profits (Kotler & Armstrong, 1994). When developing market strategies, customers play a most critical role in the external environment of the firm, which is even more important for service enterprises, such as tourism. Services have unique and heterogeneous characteristics and an inherent intangibility; consequently, customer needs are more critical in these sectors than in manufacturing (Tajeddini, 2010). Employees in service firms should be trained in customer orientation, because their behaviour can contribute to service firms' financial performance (Hennig-Thurau, 2004). In service firms, employees are daily in contact with customers and thus they directly influence customer experiences as well as control and manage their expectations (Daniel & Darby, 1997). Customers are often assigned to the specific service employees; therefore, customers judge the quality of services according to the impression built by employees (Hennig-Thurau, 2004).

By adopting a customer orientation approach, firms can achieve a sustainable competitive advantage (Narver & Slater, 1990). Additionally, customer orientation can also be a critical factor influencing innovativeness in the organization (Hurley & Hult, 1998). While performing research in the area of tourism, many scholars have come to conclude that customer orientation positively influences innovativeness and, consequently, the performance and other outcomes (Nsenduluka & Shee, 2009).

#### Innovativeness

Innovation activities are essential for the growth and survival of all kinds of organizations and businesses. Because of the ongoing process of globalization, firms have to innovate in all areas, i.e. in products and services, processes, managerial strategies, marketing, etc. In reviewing the literature, many definitions on innovation and innovation activities can be found. One of the beginners in the field of innovation and classic economic theory was Joseph Schumpeter (1934); he linked entrepreneurs with innovation, as entrepreneurs are developing new products and processes. Innovativeness is reflected in the creativity and openness to new ideas. Lumpkin and Dess (1996)

defined innovation as “the tendency of a company to get involved and support new ideas, novelty, experimentation and creative processes that may lead to new products, services or technological processes”. Innovation in organizational literature means the tendency of companies to introduce entirely new or merely improved products and services.

The academic interest in innovation research was first focused on manufacturing; only in 1970 did interest expand to the service sector, and technological innovation seemed to be in the forefront to 1980. Since the 1990s, the study of innovation in services has gradually expanded. It has been argued that the

service sector cannot be successful only by being a passive receiver of innovations that are primarily developed in the manufacturing industry. Moreover, service firms need to have departments and teams that are generally involved in the innovation process (Hipp & Grupp, 2005). Authors have mostly defined innovation in services based on the theories valid for manufacturing, or they developed specific models for services (Gallouj & Savona, 2009; Gallouj & Windrum, 2009).

The theoretical framework of the model is presented in Figure 1.

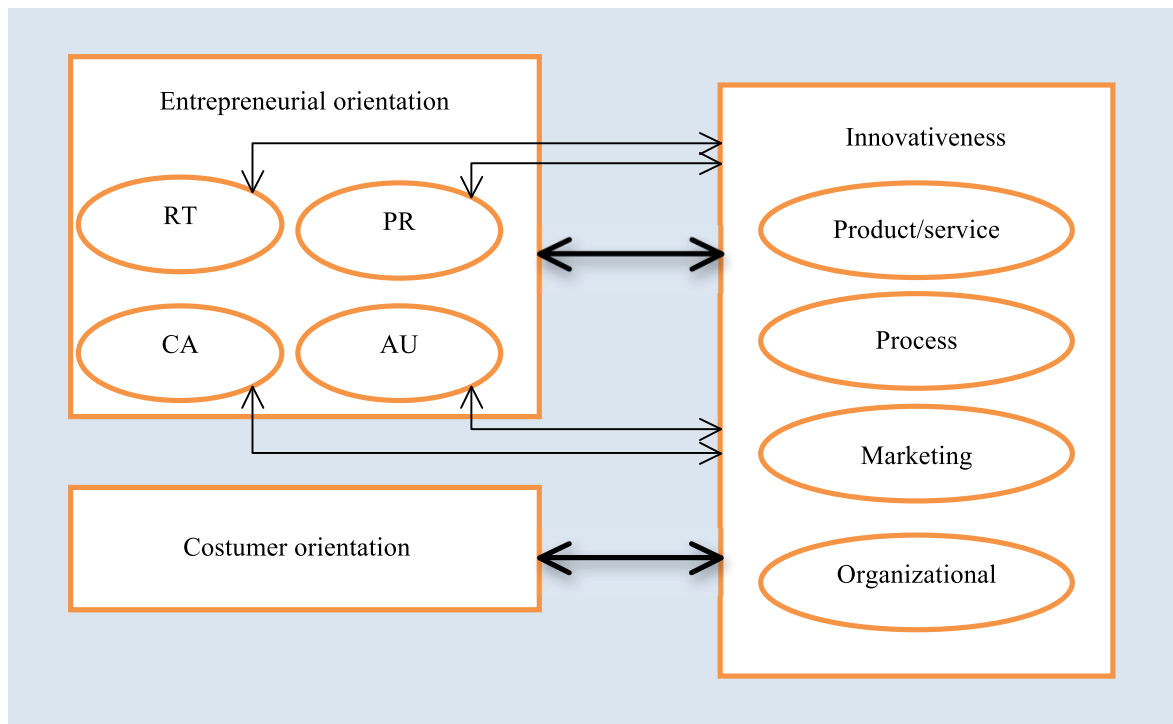


Figure 1 The Conceptual Framework

RT: Risk taking; PR: Proactiveness, CA: Competitive aggressiveness, AU: Autonomy.

### Methodology

The methodology is discussed in terms of its description of variables and measurement, data collection process, sample description and data analysis. Based on the aim of the research and developed hypotheses, the conceptual model was empirically verified on the sample of Slovenian tourism enterprises.

### Sample and Data Collection

For data collection, we used a questionnaire that was pre-tested. The questionnaire contained questions that provided the necessary data on entrepreneurial orientation, customer orientation, innovation activities and information about the firm. The target population was firms with up to 250 employees. The re-

source for all business entities was the AJPES<sup>1</sup> Register of Slovenia. The sample was selected by random sampling and included 950 companies (small and medium-sized). In the first phase, only 45 complete and usable questionnaires were returned.

The majority of firms, 13 or 28.19% operated in the restaurant industry. There were 11 (24.4%) companies that were active in accommodation activity, five of them (11.1%) were tourist agencies, five (11.1%) were from the transport sector, and ten (22.2%) performed other activities in the field of tourism. The majority (15 or 33.3%) were from 10 to 20 years old; 13 (28.9%) were more than 20 years old, and all other firms were younger than 10 years. The majority (36 or 80%) of companies have less than 10 employees, six (13.3%) of them between 11 and 50 employees, three of them have more than 51 employees. The majority of the firms (21 or 46.7%) stated that their total amount of sales in the last year was lower than €50,000, ten (22.2%) earned between €50,000 and €200,000, and 14 of them earned more.

#### Measurement of Variables

All constructs were measured using existing scales, and all items were measured on a five point Likert-type scale where 1=strongly disagree and 5=strongly agree. Entrepreneurial orientation dimensions were measured with 20 items, four of them measuring risk taking (adapted from Aktan & Bulut, 2008), five measuring proactiveness (adapted from Aktan & Bulut, 2008, Nasution et al., 2011), three measuring competitive aggressiveness (adapted from Aktan & Bulut, 2008), three measuring autonomy (adapted from Nasution et al., 2011) and five measuring customer orientation (adapted from Tajeddini, 2010). The scale of innovativeness was created from the existing literature and chosen as being the most appropriate for our study, i.e. for the tourism sector. Innovativeness was measured with 19 variables (five for product innovation, five for process innovation, five for marketing innovation and four for organizational innovation); all variables were adapted from Nieves et al. (2014).

#### Findings

The statistical analyses were performed using SPSS 19. As the values of skewness and kurtosis were above |2| for all the variables, their distribution is similar to a normal one; as a result, there was no reason to exclude any item from our analysis. In order to test the correlations between the dimensions from our framework, explorative factor analysis, using the principal component method, was performed. This technique was used for each dimension separately (based on one factor). All the communalities were higher than four; therefore, no item was eliminated at this phase.

In the first part of the questionnaire, respondents answered questions about entrepreneurial orientation. The variable that was rated the highest on a scale from 1 to 5 was “We constantly seek opportunities to improve our business performance”, with 4.22, which was only slightly lower (4.18) the variable “We constantly seek new opportunities related to the present operations”. Both of them measured the dimension proactiveness. The lowest (2.40) evaluation was given to the variable “Our firm has a strong tendency to increase the market share by reducing the competitors”, while the variable “Most people in our organization are willing to take risks” was estimated just a little better (3.09). Other variables were estimated from 3.16 to 3.93. The relatively low levels of standard deviation (from 0.85 to 1.13) show that the answers were mostly concentrated around the average value and show the unity of the respondents.

1 The Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES) is a primary source of official public and other information on business entities in Slovenia.



Table 1 Entrepreneurial Orientation

	Variable	Mean	SD	Factor loadings	KMO and Bartlett's Test
Risk taking	Relative to our competitors, our company has a higher propensity to take risks.	3.27	1.07	0.70	0.614
	Most people in our organization are willing to take risks.	3.09	1.13	0.69	
	Our company has shown a great deal of tolerance for high risk projects	3.16	1.04	0.87	
	The term "risk taker" is considered a positive attribute for people.	3.44	0.84	0.81	
Proactiveness	Our company typically initiates actions to which competitors then respond	3.78	1.00	0.72	0.775
	In dealing with its competitors, our company has a strong tendency to be ahead of other competitors in introducing novel idea or products	3.38	0.98	0.85	
	We constantly seek opportunities to improve our business performance	4.22	0.93	0.91	
	We constantly seek new opportunities related to the present operations	4.18	0.86	0.82	
	We are always ahead of our competitors in responding to market challenges	3.30	0.83	0.88	
Competitive aggressiveness	Owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the firm's objectives.	3.67	1.00	0.65	0.610
	Our firm typically adopts a very competitive, "undo-the-competitor" posture	3.11	0.86	0.84	
	Our firm has a strong tendency to increase market share by reducing the competitors	2.40	1.10	0.82	
Autonomy	Employees are encouraged to take responsibility for their work	3.71	0.99	0.89	0.734
	Employees are supposed to get the job done with minimum supervision	3.93	0.92	0.89	
	Employees are encouraged to prioritize their work	3.91	0.85	0.92	

The factor loadings for the dimension "Risk taking" are between 0.69 and 0.87 (KMO value is 0.614), for the dimension "Proactiveness" from 0.72 to 0.91 (KMO value is 0.775), for "Competitive aggressiveness" from 0.65 to 0.84 (KMO value is 0.610) and for "Autonomy" from 0.89 to 0.92 (KMO value is 0.734). All the KMO values are above the minimum acceptable level (0.50). The results of Bartlett's test for each dimension were 0.000 ( $p < 0.001$ ).

In the second part of the questionnaire, respondents answered questions about customer orientation. The variable that was rated the highest on a scale from 1 to 5 was "We are more customer-focused than our competitors", with 4.24, only slightly lower (4.18) was the variable "We believe this business exists primarily to serve customers". The lowest (3.62) evaluation was given to the item "We know our competitors well", while the variable "We have a good sense

of how our customers value our products and services” was rated slightly better (3.64). The relatively low levels of standard deviation (from 0.84 to 1.01) show that the answers were mainly concentrated around the average value and show the unity of the respondents.

The factor loadings for the dimension “Customer orientation” are between 0.56 and 0.86 (KMO value is 0.775). The KMO value is above the minimum acceptable level (0.50). The result of Barlett’s test for this dimension is 0.000 ( $p < 0.001$ ).

Table 2 Customer Orientation

	Variable	Mean	SD	Factor loadings	KMO and Bartlett's Test
Customer orientation	We know our competitors well	3.62	1.01	0.56	0.775
	We have a good sense of how our customers value our products and services.	3.64	0.88	0.81	
	We are more customers focused than our competitors.	4.24	0.88	0.86	
	The customer's interest should always come first, ahead of the owners'.	4.02	0.92	0.72	
	We believe this business exists primarily to serve customers	4.18	0.84	0.80	

In the third part of the questionnaire, respondents answered questions about innovation activities in their firm. The variable that was rated the highest on a scale from 1 to 5 was “Our organization constantly seeks new services”, with 3.73; the variable “We have introduced many modifications to existing services” only slightly lower (3.48). Both of them measured product innovation. The lowest (2.60) evaluation was given to the variable “The new organiza-

tional methods that we have incorporated have been pioneering in the sector”, while the variable “We often introduce new practices in work organization or firm procedures (e.g., new quality management practices, new information and knowledge-management systems, etc.)” was slightly better (2.67). Other variables were estimated from 2.70 to 3.49.

Table 3 Innovativeness

	Variable	Mean	SD	Factor loadings	KMO and Bartlett's Test
Product innovation	We have introduced many new services onto the market.	2.77	1.05	0.79	0.784
	We have introduced many modifications to existing services.	3.48	0.93	0.75	
	Our organization constantly seeks new services	3.73	1.00	0.83	
	We have introduced more new services than our competitors.	3.36	1.01	0.89	
	The new services we introduced have caused significant changes in the industry	2.89	0.95	0.79	

	Variable	Mean	SD	Factor loadings	KMO and Bartlett's Test
Process innovation	We frequently update service delivery methods to increase productivity	3.34	0.91	0.48	0.723
	We frequently incorporate technologies to improve efficiency (e.g. water and energy saving devices, etc.).	3.02	0.95	0.82	
	We frequently incorporate technologies to improve the quality of our service.	3.05	0.90	0.90	
	We make major investments to incorporate new computer techniques, equipment and/or programmes	3.19	1.08	0.87	
	We frequently train our staff in new technologies in this sector*.	2.91	1.09	0.72	
Marketing innovation	We are dynamic in developing and using new sales channels (e.g., Internet as a sales channel, presence on social networks, etc.).	3.49	1.06	0.68	0.672
	We frequently introduce new techniques or channels for promoting our services (new advertising channels, new customer loyalty cards, etc.).	3.29	1.02	0.82	
	We frequently introduce new methods for pricing our services	3.09	0.84	0.75	
	Our competitors use our marketing methods as a point of reference.	3.19	0.91	0.81	
	The new marketing methods we have incorporated have been new to the sector.*	2.86	0.92	0.70	
Organizational innovation	We frequently introduce organizational changes to improve the division of responsibilities and decision making (e.g. decentralization, department restructuring, etc.)	2.88	1.05	0.89	0.772
	We frequently introduce new methods for managing external relationships with other firms or public institutions (e.g. new alliances, new forms of cooperation, etc.)	2.70	0.91	0.94	
	We often introduce new practices in work organization or firm procedures (e.g. new quality management practices, new information and knowledge-management systems, etc.).	2.67	1.03	0.85	
	The new organizational methods that we have incorporated have been pioneering in the sector.	2.60	0.93	0.87	

The relatively low levels of standard deviation (from 0.84 to 1.09) show that the answers were mostly concentrated around the average value and show the unity of the respondents.

The factor loadings for the dimension "Product innovation" are between 0.75 and 0.89 (KMO value is 0.784), for the dimension "Process innovation" from 0.48 to 0.90 (KMO value is 0.723), for "Marketing innovation" from 0.68 to 0.82 (KMO value is 0.672) and for "Organizational innovation" from 0.85 to 0.94

(KMO value is 0.772). All the KMO values are above the minimum acceptable level (0.50). The results of Bartlett's test for each dimension are 0.000 ( $p < 0.001$ ).

Next, the correlations between all the dimensions from our framework will be presented.

Table 4 Correlations

		(F1)	(F2)	(F3)	(F4)	(F5)	(F6)	(F7)	(F8)	(F9)
(F1)	Pearson Correlation	1								
(F2)	Pearson Correlation	0.661**	1							
		0								
(F3)	Pearson Correlation	0.423**	0.369*	1						
		0.004	0.013							
(F4)	Pearson Correlation	0.565**	0.632**	0.311*	1					
		0	0	0.037						
(F5)	Pearson Correlation	0.498**	0.634**	0.224	0.588**	1				
		0.001	0	0.139	0					
(F6)	Pearson Correlation	0.508**	0.508**	0.109	0.450**	0.357*	1			
		0	0	0.474	0.002	0.016				
(F7)	Pearson Correlation	0.386**	0.543**	0.445**	0.348*	0.257	0.519**	1		
		0.009	0	0.002	0.019	0.088	0			
(F8)	Pearson Correlation	0.265	0.481**	0.314*	0.327*	0.303*	0.498**	0.629**	1	
		0.078	0.001	0.035	0.028	0.043	0.001	0		
(F9)	Pearson Correlation	0.13	0.285	0.256	0.126	0.309*	0.422**	0.337*	0.596**	1
		0.393	0.058	0.09	0.411	0.039	0.004	0.024	0	

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

(F1)- Risk taking, (F2)-Proactiveness, (F3)-Competitive aggressiveness, (F4)-Autonomy, (F5)-Customer orienta-

tion, (F6)-Product innovation, (F7)-Process innovation, (F8)-Marketing Innovation, (F9)-Organizational Innovation

The starting point for the analysis is the correlation matrix, from which correlation coefficients and statistical significance of these are evident.

The highest linear correlation (0.66) exists between factors Risk Taking and Proactiveness, followed by the correlation of 0.63 between Customer Orientation and Proactiveness, then the correlation of 0.63 between Autonomy and Proactiveness, followed by the correlation of 0.63 between the Marketing Innovation and Process Innovation. Slightly lower, but still statistically characterized are the correlations between the factors Customer Orientation and Autonomy, (0.59), between Autonomy and Risk taking (0.56), between Proactiveness and Process Innovation (0.54), between Product innovation and Process innovation (0.52), the same value 0.508 is found between Product innovation and Risk taking, as well as between Product innovation and Proactiveness. The correlation coefficients, lower than 0.5, but still statistically significant, are between Competitive aggressiveness and Risk taking, Competitive aggressiveness and Proactiveness, Autonomy and Competitive aggressiveness, Process innovation and Competitive aggressiveness, Autonomy and Process Innovation, Product Innovation and Autonomy, Product Innovation and Customer orientation, Marketing innovation is correlated (statistically significant) with Proactiveness, Competitive aggressiveness, Autonomy, Customer orientation and Product innovation, while Organizational innovation is correlated (statistically significant) with the Customer orientation, Product innovation, Process Innovation and the Marketing innovation.

Other correlations are small and non-statistically significant.

### Discussion

This paper contributes to the insight of innovativeness in the field of tourism. The interest in this subject is extensive, and it will continue to be so. We discussed the entrepreneurial and customer orientations as the predictors of innovativeness in tourism. The importance of innovativeness for the tourism business has been recognized by both researchers and practitioners. In the reviewed literature, agreements that much remains to be done in the field of innovation in tourism have been reviewed. The tourism sector has particular characteristics; therefore,

innovation activities should not be performed in the same manner as that of other services.

At this step, we suggest advancing this research by performing the survey on a larger sample, in developing measures for more dimensions, that influence innovativeness (for example networking, technological development, internal and external environment) and also empirically testing innovativeness outputs (e.g. firm performance). Only including these variables in research would reveal the importance of antecedents for innovation activity, innovation performance and, consequently, firm performance.

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## Factors Influencing Travel Package Prices

**Gorazd Sedmak**

*University of Primorska, Faculty of Tourism Studies - Turistica*  
gorazd.sedmak@fts.upr.si

**Tina Kociper**

*University of Primorska, Faculty of Tourism Studies - Turistica*  
tina.kociper@fts.upr.si

The aim of this paper is to define the factors influencing travel package prices offered by Slovenian tour operators and the impact of each factor. A hedonic pricing model for package travels offered on the Internet was developed, and implicit prices of different package features were estimated via the employment of hedonic regression. Previously, similar research was done only for restricted geographical areas, using data obtained from tour operators' brochures. In the present research, the model was built on the basis of web-accessible information, while different travel destinations throughout the world were taken into consideration. The type of destination and its character were determined to influence package travel pricing. The results also highlight that those packages bearing more cultural experience potential can be sold at higher prices.

*Keywords:* hedonic price theory, web offered travel, regression analysis, Slovenia

### Introduction

Package travel or a package tour is an inclusive form of travel organized by intermediaries, usually tour operators. Although it is a compound of at least two goods or services, it is marketed as one distinct and separate product (Buhalis, 2000). Such a bundle can include transportation, accommodation, entrance tickets, meals, etc., or any other combination of goods consumed by tourists. As a rule, a buyer does not have an insight into the price structure of package travel, thus in a decision-making process a direct comparison between different packages (with different services included) is not possible. In this article, the focus is on package travel marketed via the Internet.

In the previous 20 years, the Internet has dramatically changed the buying behaviour and decision-making process of travellers, specifically the ways in which they search for travel information and

purchase vacation products (Chiam, Soutar, & Yeo, 2009; European Travel Commission, 2011; Hyde & Decrop, 2011; Tanford, Erdem, & Baloglu, 2011).

“The mass adoption of the internet and digital networks is transforming the way in which consumers share and manage information among themselves and corporations, presenting an interactive platform where consumers can build meaningful dialogue with tourism providers – challenging the top-down approach of “we market you” or “telling and selling” to a bottom-up experience whereby the consumer can become a more active participant in the overall experience as opposed to a passive receiver of information and products” (Moutinho, 2011).

Understandably, the roles of travel agencies, classic forms of advertising and information channels

have subsided considerably. Instead, on-line offers, interactive portals, virtual shows, direct booking and purchase options have expanded considerably. Travel is already the largest online retail category and its advantage over the traditional travel agencies is continually growing (Kim & Gang, 2009). This expansion is fuelled by the increasing number of people with high-speed internet access, improved technologies and growing confidence in on-line purchasing (Kim, Bojanic, & Warnick, 2009). During the phase of travel planning/organization, Slovene citizens used the internet in almost one third of cases (31%) (SORS, 2012). This was higher for longer trips abroad (43%). In 60% of cases, they used the Internet merely as a source of information, while 40% booked accommodation and/or other services through the web.

The internet has caused the so-called disintermediation in the field of travel arrangements (Davidson & Rogers, 2006); it provides potential tourists a direct communication with tour operators and a comprehensive overview of different products from an extensive number of suppliers at relatively low transaction costs. Moreover, a comparison of prices, for tourists as well as for tour operators, is facilitated, and communication among the users (through ratings and forums) is easier. The market is thus becoming significantly more transparent and competitive (O'Connor in Frew 2004; Kim, Bojanic, & Warnick, 2009; Wen, 2009). The likelihood of misleading offers or deviations from "normal" value for money are minimized. It can be presumed that discrepancies in prices between different packages actually derive from different contents included in the packages and their characteristics.

The field of package travel is marked by differentiated products. Differentiation can derive from product contents, characteristics, time, place or circumstances of consumption, or from the circumstances in which the product is bought (Ricard Rigall-I-Torrent & Fluvia, 2011). When a product is purchased, what is actually being bought is a set of characteristics (Sard, 2006). Although some of these characteristics/factors may be intangible, they vary from one product or seller to another, and buyers at least partially consider them in the selection process. (Anderson, de Palm, & Thisse, 1992). According to Caves and Williamson (1985), a product is differentiated if any basis exists to make it possible to distinguish it

from similar products of other sellers; the basis for this can be real or imaginary. Theoretical conditions of differentiation are that buyers perceive products within a particular group of products as relatively close substitutes, but as weak substitutes for products from outside the group. At the same time, products from within the group should not be perfect substitutes; i.e., every seller should deal with a down-sloped demand curve. As in the case of package travels, a potential tourist chooses from a variety of different packages that can satisfy his/her need to spend some leisure time away from home. If package travels are seen as bundles of goods and services consisting of different combinations of characteristics, it is possible to ascribe implicit prices to these characteristics through hedonic price modelling.

### Hedonic Prices

Product prices and the quantities of characteristics embodied in products enable setting hedonic or implicit prices for each characteristic. The hedonic price theory is formulated as a problem of space equilibrium, in which the aggregate implicit prices of characteristics lead buyers and customers to individual points in the space of characteristics (Rosen, 1974).

The theory is based on the attributive theory of demand, which presupposes that product characteristics can be described as points in a co-ordinate system. It assumes that the price of a product is a function of its immanent utility-bearing characteristics or attributes (Thrane, 2005). The hedonic function is given by:

$$P = h(z),$$

where  $P$  denotes the prices of a cross-section of goods (i.e. one price for each variety or model; in our case, the package tour) available in a given period, while the matrix " $z$ " denotes a bundle of characteristics for each package tour. The basic model of hedonic theory presupposes a state of competitive equilibrium. The economic behaviour of buyers and sellers of heterogeneous products is defined by sets of demand and supply functions for characteristics. These demand and supply functions are the result of the buyers' and sellers' optimizations. Each type of product from a group of differentiated products is fully described by a vector of objectively measurable characteristics. Due to product differentiation, buyers are given the opportunity to choose from among different inseparable

arable bundles of characteristics. A price  $p(z)=p(z_1, \dots, z_m)$  is set for each point in space and leads sellers and buyers to preferred bundles of characteristics (Silver, 1996). Riera (2000) suggests that hedonic regression is also a suitable method for placing value on different environmental attributes that can be applied to valuations of non-priced tourism resources. Indeed, in the presented research, variables denoting the type of destination in terms of their main attractions have introduced.

Hedonic prices models have been investigated before in the field of tourism and hospitality. Espin- et, Saez, Coenders, and Fluvia (2003) studied the implicit prices of hotel attributes; Juaneda, Maria Raya, and Sastre (2011) used the hedonic price model to explain the pricing of the time and location of a stay at a hotel or self-catering apartment; Falvey, Fried, and Richards (1992), Gunawardana and Havrila (1993) and Sedmak, Mihalič, and Rogelj (2004) dealt with implicit prices in restaurants. Thrane (2005) proposed two models for sun-and-beach package tours to the Canary Islands offered by Norwegian tour operators; Sinclair, Clewer, and Pack (1993) researched packages to Malaga; Laesser and Crouch (2006) employed hedonic pricing in a segmentation of visitors to Australia. However, in previous studies of package tours, only restricted geographical areas were taken into consideration and all data were obtained from brochures (Aguilo, Alegre, & Sard, 2003; Haroutunian, Mitsis, & Pashardes, 2005; Papatheodorou, 2002; Thrane, 2005). However, considering the actual situation of the travel market, the increasing role of the internet and the enormous amount of choices tourists have, their decisions are highly unpredictable (Zahra & Ryan, 2007). Doyle (2002) defines product as "anything that a firm offers to satisfy the needs or wants of customers". While wants are narrow and particular, needs are basic requirements that individuals wish to satisfy. Previous studies seem to neglect that, owing to simplified accessibility of information, package travels to different destinations are nowadays closer substitutes than they used to be. They can actually be perceived as one differentiated product satisfying the same need to spend some time away from home. Indeed, Kotler, Bowen, and Makens (2006) claim product differentiation can occur via physical attributes, services, location, image or personnel; all of these elements as a rule differ between

destinations. Although some research was recently done using web-accessible data (e.g. Fleischer (2011) used the internet to analyse the differences in room prices by comparing the rooms having a view of the Mediterranean Sea to those without such a view) to the knowledge of the authors of this paper, no hedonic model for package travel using this source of information has been proposed thus far. Moreover, studies limited to only very similar and close destinations do not render possible the estimation of individual characteristics, such as type of destination, country, macro-location, etc.

*The aim of the present research was to fill these gaps.* We decided to identify the information package tour features available on the tour operators' web pages upon which tourists decide where to travel and estimate their implicit prices. Therefore, the main contributions of this paper are: employment of a comparable and much fuller set of information available on the net instead of brochures, and the holistic approach that takes into consideration all available target destinations instead of a limited geographical area, thus proposing a general hedonic model for package travels. These were investigated for the case of Slovenia as an outbound destination. Our rationale was that the packages offered on-line are essentially perceived by potential tourists as one differentiated product.

### Research Methodology

The data gathering was carried out in spring 2011 by well-trained research trainees (students) of the University of Primorska, Turistica – Faculty of Tourism Studies. Every trainee was asked to randomly, without discrimination, choose a certain amount of web available packages offered by Slovene tour operators. They were encouraged to search for a variety of different companies' offers and destinations. With this approach, we believe that the nearest proximity to randomness of the sample was attained. The authors were present and available to help the trainees' throughout the process. This was especially valuable to achieve a relative uniformity of judgements in which, for example, the type of destination or the main attraction were determined.

Although an exhaustive literature review and examination of previous similar studies was performed before the conceptualization of the present

research, the final selection of variables was predominantly made on the basis of a preliminary survey of information on organized travels, holidays, tours, etc., available online. Bearing in mind that the decision-making of tourists buying packages on line is based almost exclusively on information available on the Internet, it was considered reasonable that only this information be taken into consideration for the modelling.

Earlier hedonic models intensively focused on just one or few like destinations, thus tour operators companies and hotel characteristics, such as star rating, presence of lifts, bar, sport facilities, swimming pool, etc., represented the majority of independent variables (Aguilo, Alegre, & Riera, 2001; Sinclair, Clewer, & Pack, 1993; Thrane, 2005; Israeli, 2002). Destination characteristics were only implicitly included through the variables "Distance to beach", "Distance to shopping areas", "Proximity to a population centre", "Picturesque spot", etc. In our case, after the overview of web-offered packages, all the published or indirectly attainable information available on the majority of Slovene tour operators' websites were included in the model. All prices were calculated for one night, the remoteness of the destination was reckoned from Ljubljana, the capital of Slovenia. Since not only seaside destinations were dealt with, in line with previous studies in which the distance to the beach was one of the independent variables, the variable "distance to the main attraction" was introduced. It was left to the person entering the data to judge what the main attraction (beach, town

centre, etc.) was in each case. Similarly, the classification of each destination into one or more categories of destination type was left to their judgement, according to the information available on the website and their general knowledge. Beforehand, however, students were instructed by the authors who helped them throughout the work. The three options were: 3S destination, destination with important cultural attractions, and destination with important natural attractions. One destination could have more than one attribute. According to Juaneda et al. (2011), time is an important factor affecting price. Pricing this component provides information on the effect of the seasonality, which is a crucial field in tourism studies. The high season was defined as from June 15th to September 15<sup>th</sup>, i.e. the period when the vast majority of Slovene tourists go on their annual holidays.

In order to keep the number of explanatory variables to a practical number, two "umbrella variables" were introduced: "Hotel equipment exceeding standards of the category" and "Extra contents offered free of charge" (event tickets, sauna, excursions, etc.) for some of the hotel characteristics judged as being of marginal importance or that are place/destination specific, such as free air conditioning, WiFi, Jacuzzi, children's play-room, deck chairs, pool/billiard, etc. With such a definition of variables, multicollinearity with a hotel category was also diminished to a certain degree as well. Thus, the variables included in the study were (see Table 1).

Table 1 Variables Included in the Research

Variable	Description	Expected sign
PRICE	Price per person per night	/
OVERNIGHTS	Total no. of overnights	-
FIRST	First minute or last minute offer	-
STARS	Category of the hotel (1-5 stars)	+
COMFORT	Hotel equipment exceeding standards of the category	+
PLANE	Flight fare included in the price	+
BUS	Bus fare included in the price	+
COUNTRY	Destination country	?
REMOTE	Remoteness of destination	+

Variable	Description	Expected sign
BREAKFAST	Only breakfast included in the price	+
HALF_B	Half board	+
FULL_B	Full board	+
GUIDE	Organized guidance	+
EXTRA	Extra contents offered free of charge	+
ATTRACTION	Distance to the main attraction (beach, town centre, etc.)	-
SSS	Sea, sand and sun destination	-
NAT	Destination with natural attractions	?
CUL	Destination with cultural attractions	+
HIGH	Travel in the high season	+
TO	Tour operator company	?
MIN	Minimum no. of travellers	-

While other variables' expected signs are self-explanatory, for the variables *SSS* and *CUL* hypothesized directions on the relation between dependent and independent variables were assigned on the basis of previous research and a literature review. Traditional 3S destinations tend, due to tough competition in this segment and their mature stage in their life-cycle, to be relatively low priced (Agarwal, 1999; Apostolopoulos & Somez, 2001; Montemagro, 2001; Tsaur, Lin, & Lin, 2006), while cultural destinations seem to have higher profit margins through differentiation and perceived high value of cultural attractions (Richards, Goedhart, & Herrijgers, 2001).

Six variables were of the scale type (while all the rest were dummy variables, coded "1" if a characteristic/element was present in the offer and "0" if not. As in Thrane's (2005) research, accommodation star rating was included as a quasi-scale variable. The research encompassed organized travels to 77 different countries. These were offered by 23 different tour operators. However, 80.5% of all sample data was obtained from the four largest suppliers. Only those four tour operators representing more than 5% of the sample were included as independent explanatory variables in the model. Small operators were implicitly incorporated in the model as a base. Sard (2006) claims that the differentiated prices are not merely

a result of contents and characteristics of packages but also negotiations with hoteliers, and that prices are also dependent on the market power that the tour operators have in their markets of origin. Destination countries were then divided into five groups: Slovenia (*SLO*), neighbouring countries (*NEIG*), other non-Mediterranean European countries (*EUR*), Mediterranean countries (*MED*) and other/overseas countries (*OVER*).

The final sample comprised 1125 different travel packages. In Table 2, the sample structure and the mean values are presented. The average price of the package for one person was €124.03 per night, the mean distance of travel from Ljubljana 2262.61 kilometres and the average number of overnights 5.48. Prices of the four large suppliers were on average higher (mean: €133.06) than those of the small ones (mean: €121.85).

Table 2 Mean Values and Structure of the Sample

Scale variables (unit)	N	Mean	Std. deviation
PRICE (€)	1125	124.03	108.95
OVERNIGHTS	1121	5.48	3.42
STARS	1035	3.41	0.69
REMOTE (km)	1103	2262.61	3218.19
ATTRACTION(m)	849	130.12	789.00
MIN (persons)	526	19.39	14.42
Dichotomous variables			
COMFORT	1085	60%	
PLANE	1122	56%	
BUS	1122	63%	
BREAKFAST	1123	27%	
HALF_B	1123	52%	
FULL_B	1123	13%	
GUIDE	1123	56%	
EXTRA	1125	41%	
SSS	1125	49%	
NAT	1125	50%	
CUL	1125	55%	
HIGH	1101	52%	
FIRST	1125	9%	
SLO	1125	14%	
NEIG	1125	20%	
EUR	1125	36%	
MED	1125	8%	
OVER	1125	19%	
TO_1	1125	32%	
TO_2	1125	32%	
TO_3	1125	9.5%	
TO_4	1125	7%	

The structure of destination countries is not comparable with the actual structure of Slovenian tour-

ists' trips. SORS (2011) only publishes the structure of all the so-called "longer private trips" regardless of



whether they are organized individually or by tour operators. According to these data, a quarter of trips are made within the borders of the country, approximately half of the trips are to neighbouring countries (mostly Croatia), and only 4% of the trips are outside Europe. The rest of trips, approximately one fifth, are to other European countries.

### Analysis

Ordinary least square regression (OLS) was used to estimate the hedonic function.  $P < 0.05$  was taken for the critical statistical significance value. As suggested by Gujarati (1995) and Papatheodorou (2002), in the case of linked bundles of the dummy variables (for example destination countries), one of them was dropped out of the model and constitutes the base or the benchmark against which the remaining coefficients are interpreted, which presupposes that other characteristics remain the same (the *ceteris paribus* condition). These base variables are: “no food included”, “no transportation included in the price”, “destination without important natural, cultural or 3S attractions” and “small tour operators”.

In the case of dichotomous variables in which less than 10% of the sample fall into one group, they were excluded from further analysis. These were: *FIRST*, *MED*, *ATTRACTION*, *TO\_3* and *TO\_4*. The variable *REMOTE* was shown to be highly correlated with *OVER* ( $r=0.87$ ) and significantly with *PLANE* ( $r=0.51$ ) and was also excluded from the model. *MIN* was also left out of the model due to the high portion of missing data and unclear presentation of the data

published by different operators. Among the remaining variables, no problematic multi-collinearity was detected (max VIF = 2.77).

Both the log-lin and lin-lin functional forms were used in the simple OLS regression. As the former demonstrated greater explanatory power, only the results of this functional form are presented. Estimated coefficients of such a functional form are interpreted as “the percentage change in the dependent variable associated with a one unit increase in the independent variable” (Thrane, 2005).

After the first regression, the model was narrowed. According to the “from general to specific” approach (Campos, Ericsson and Hendry, 2005; Hendry, Leamer and Poirier, 1990) seven explanatory variables (*BUS*, *OVERNIGHTS*, *COMFORT*, *HALF\_B*, *EXTRA*, *TO\_2* and *HIGH*) with coefficients having a sign contrary to what was expected or those with *t*-statistics absolutely less than 1 were excluded from the model.

### Results and Discussion

In Table 3, the results of the final regression are presented. Two explanatory variables (*NAT* and *TO\_1*) are not statistically significant; therefore, they are not included in the model. The final model can thus formally be written as:

$$\log \text{PRICE} = \text{CONSTANT} + B_1 \text{STARS} + B_2 \text{PLANE} + B_3 \text{NEIG} + B_4 \text{EUR} + B_5 \text{OVER} + B_6 \text{BREAKFAST} + B_7 \text{GUIDE} + B_8 \text{SSS} + B_9 \text{CUL} + e$$

Table 3 Regression Coefficients

	<i>B</i>	Std. Error	<i>t</i>	Sig.
(Constant)	3.351	0.104	32.228	0.000
STARS	0.151	0.024	6.193	0.000
PLANE	0.460	0.041	11.224	0.000
NEIG	0.278	0.054	5.181	0.000
EUR	0.221	0.049	4.500	0.000
OVER	0.792	0.062	12.752	0.000
BREAKFAST	0.123	0.038	3.207	0.001
GUIDE	0.198	0.043	4.589	0.000
SSS	-0.115	0.039	-2.924	0.004

	<i>B</i>	Std. Error	<i>t</i>	Sig.
NAT	0.047	0.036	1.291	0.197
CUL	0.104	0.041	2.512	0.012
TO_1	-0.045	0.036	-1.261	0.208

$R^2 = 0.531$ ;  $R^2_{adj} = 0.526$

The model was able to explain 53% of the variance. The Ramsey RESET test showed that the model is not mis-specified ( $t = 1.639$ ;  $\text{sig} = 0.101$ ) and the Breusch-Pagan test proved the absence of heteroskedasticity ( $F = 1.362$ ;  $\text{sig} = 0.185$ ).

The results are to be interpreted in the following manner: e.g. if the package tour price includes airfare, the package is (under the *ceteris paribus* condition) on average 46% more expensive than the package tour with no travel fare included in the price. Or, for the case of a negative coefficient, if the destination of the package tour is a 3S resort, the price is expected to be (again, *ceteris paribus*) 11.5% lower than if the destination had no outstanding natural, cultural or 3S attractions.

The formal categorization of the accommodation contributes 15.1% to the price with every additional star. The quality of accommodation is, therefore, far from being trivial. If breakfast is included in the package, a 12.3% higher price is the average, which is, interestingly, practically the same figure as that found by Thrane (2005). The findings, in the part that is comparable to the previous studies, also confirm the results obtained by Aguilo, Alegre and Riera (2001), who ascertained hotel category, type of board and location explain to a considerable extent the distribution of prices.

In contrast, there are variables that were not included in previous models. As can be concluded from Table 3, the most important factor influencing the package travel prices is the overseas/other destination of the trip (*OVER*), which increases the price in comparison to destinations in Slovenia by almost 80%. This result is not surprising, because transportation cost accounts for an important portion in the cost structure of the package travel (Aguilo, Alegre, & Riera, 2001; Lickorish & Jenkins, 1997). Specifically, this variable undoubtedly also incorporate the effect of the destination remoteness. Moreover, some other problems and organizational costs are con-

nected with the remote destinations: different language and necessity of translations, local income agency provisions or local representative costs, communication and insurance costs, visits of tour operator representatives in the destination in the phase of product formation, risk of unstable exchange rates, etc. (Čavlek, 2002; Haroutunian, Mitsis, & Pashardes, 2005). However, the lack of knowledge and experience of tourists with such destinations make them willing to pay this extra money (Williams, 1996). Similarly, flight as a transportation mode considerably increases the price (46%). The next two factors raising the package price by more than 20% in comparison to domestic destinations are also destinations of travel as well: neighbouring countries (27.8%) and other non-Mediterranean European countries (22.1%). As these two groups are rather heterogeneous in terms of the countries included, it is difficult to interpret the coefficient difference in favour of neighbouring countries. If the package includes organized guidance, the price is expected to be 19.8% higher than without it. This result confirms the importance of this service component in the overall tourism experience (Huang, Hsu, & Chan, 2010) and is in line with the findings that the learning and acquisition of knowledge constitutes a valuable part of it, especially for cultural tourists (Richards, 2002).

As expected, 3S destinations negatively influence the package price (11.5%). Lower prices in this destination segment are the result of a loss of uniqueness, ecological degradation, poor product quality, negative image as well as an overdependence of these destinations on failing markets over the last 30 years (Agarwal, 1999). Moreover, the emergence of new overseas destinations and increased interest in previously neglected rural and urban destinations has made the competitive struggle for traditionally intra-regional European tourists more severe (Sedmak & Mihalič, 2008). Connected to these trends, higher prices (10.4%) of the destinations with distinct cultural attractions (*CUL*) were also expected. Many

radical changes occurred on the demand side. The so-called “new” tourists (Poon, 1998) that reject inflexible and inauthentic products developed for mass tourism show increased interest in indigenous heritage and tradition (Gale, 2005). The up-market especially started to demand more customized products and experiences within local cultures in environmentally “responsible” destinations (Carey, Gountas, & Gilbert, 1997). Unlike 3S destinations, cultural destinations do not need to compete primarily with prices as (authentic) culture is a place-specific category; thus, a high degree of differentiation allows them to attain higher prices.

There are two additional contributions of the study. Firstly, the Internet was used as source of information because no hedonic model for package travel had thus far used this source; nowadays, the internet represents the primary source of information for tourists (Chiam, Soutar, & Yeo, 2009; European Travel Commission, 2011; Tanford, Erdem, & Baloglu, 2011; SORS, 2012) due to the instant accessibility and high levels of accurate and current information, thus making it a more reliable source than brochures. Secondly, prior studies were limited to very narrow geographical areas and did not enable the estimation of individual characteristics of implicit prices, such as the type of destination, macro-location, etc.

The main limitation of the model and the research is connected to the unexplained part of the variance. As Abrate, Fraquellia, and Viglia (2012) claim for the case of hotels, but we believe is true also for destinations, price differentiation is the result of many factors: different quality and types of services provided, different physical attributes of accommodation, the reputation and brand of the hotel, travel agent or airline (Chiam, Soutar, & Yeo, 2009), and site-specific attributes, such as local attractions, climate, beach, etc.

Of course, it is impossible to include all this specific information into the model even though some of it might be accessible on the web in individual cases. Here, it should be noted that the ascription of certain destination features, e.g. “destination having distinct natural attractions” or the choice of the “main attraction” (for the variable “Distance to the main attraction”) was done to a great extent on a subjective basis. Although students were encouraged to discuss uncertain cases with the coordinators/authors, the fact

is the knowledge and perceptions certainly vary between them, which might influence the reliability of results. Another possible limitation of the study is that some prices might differ from actual prices in equilibrium due to reasons such as negotiations, “decoy” prices, etc. Furthermore, the (changeable) fashionableness of destinations (Shaw & Williams, 2004), which is very difficult to assess, is probably a significant factor influencing the prices. Finally, despite the identified multi-collinearity among the variables being within the acceptable boundaries, it probably did affect the results to some extent.

In spite of these limitations, bearing in mind the growing importance of the web in organized travel commerce, we believe that a significant contribution to the body of knowledge has been made by this research, because the introduced model presents a sound basis for understanding the price structure of package travels offered on-line for different destinations.

### Practical Implications

Price has frequently been cited as a key decision criterion in the purchase of travel products (Coulter, 2001). Despite the differences in mean values of prices between small and large tour operators, the present research showed that price differentiation is not significantly influenced by tour operator brands for the case of Slovenia. Differences are rather a consequence of different operational focuses (destinations and mode of transportation selection, etc.). It is beyond the purposes of this article to search for the answer to the question of whether branding is not as important in the organized travel business or that there are simply no significant differences between the Slovene tour operators in their branding efficiency.

Transportation costs remain the main challenge for package tours providers. *Those firms that will be able to organize cheaper transportation per passenger will benefit the most.* In times when trends towards individualization and custom-made experiences are rising sharply, this is an extremely difficult task.

*The results implicitly confirm the importance of culture and authenticity in tourism*, which are expected to gain further significance in the future (Sedmak & Mihalič, 2008), and the declining appeal of the 3S destinations. Significant differences in prices

between 3S and cultural destinations (22%), as well as the importance of organized guidance, usually connected with cultural contents, indicate that packages bearing more cultural experience potential can count on higher prices.

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## Trends and Recent Development of Tourism in Istria

**Anton Gosar**

*University of Primorska, Faculty of Tourism Studies - Turistica*

*anton.gosar@fts.upr.si*

Prior to the fall of the Iron Curtain, the Northern Adriatic, a space then shared by Yugoslavia and Italy, made headlines in European geopolitics and economy due to the new nation-states' border issues. In the post-WW2 era, it sparked conflicts followed by co-operation between communist and democratic societies, became the chief economic gateway of East-Central Europe through the large inland ports (Trieste, Koper, Rijeka), and became a major Mediterranean tourist destination with numerous resorts. It was simultaneously a manufacturing site, trans-shipment area and tourist destination. In the second half of the 20<sup>th</sup> century, the growth of tourism set new goals for the region. Instead of competition and rivalry, complementarities, and natural and cultural protection on regional and nation-state levels were sought. In this paper, the structure and problems of tourism development in selected areas of the Northern Adriatic region, in particular the Istrian Peninsula, driven by market economy forces, will be discussed. Istria has a long history as a desired leisure destination. In the 19<sup>th</sup> and the early 20<sup>th</sup> centuries, nobility and intellectuals became acquainted with the geography of the peninsula, its Austrian and Venetian heritage, and its multi-national Romance, Slavic and Germanic environments. At the dawn of the 21<sup>st</sup> century, the development of tourism, tourist visits, and their impact on societies and cultural landscapes can be compared to those Costa Brava and other tourist areas of the Mediterranean.

**Keywords:** Istria, Adriatic Sea, Slovenia, Croatia, Italy, History of Tourism, Tourism Development, Tourism Strategies.

### Introduction

#### Contemporary Geography of the Northern Adriatic

The Northern Adriatic is most often identified with the Italian provinces of Friuli Venetia-Giulia (26,209 km<sup>2</sup>), the Slovenian littoral region of Primorska (3,369 km<sup>2</sup>) and the northern Croatian littoral, i.e. Istria and the Kvarner (5,650 km<sup>2</sup>). The region is part of the Mediterranean basin stretching on the eastern, northern, and western sides of the Venetian Bay of the Adriatic Sea. The length of the coast is dominated by Croatia (539 km, incl. islands), followed by both provinces in Italy (326 km) and Slovenia (46 km). In the north, the coastal lowlands and karstic upland plains are embraced by the Southern Alps (the Dolomites and the Julian Alps), with famous winter sport resorts such as Cortina d'Ampezzo, Tarvisio,

Kranjska gora and Bovec, matched by the many littoral tourist centers, spread along the coast from Venice and the Venetian Lido in the south-west, to Grado, Portorož and Poreč in the north, and Opatija and Crikvenica in the south-east of the Venetian Bay.

The western coastline of the Venetian Bay is characterized by sandy beaches and drained marshes, while the eastern coast includes high limestone cliffs and descending into karstic plains and hills in the westerly direction. Water resources are dependent on the melting of the alpine glaciers in the west (Soča-Isonzo, Tagliamento, Piave) and to water levels of the mostly underground rivers and karstic lakes in the east. Strong north-easterly winds (*bora*) have, along with the cultural tradition, had an impact the built environment (stone roofs), and resulted in a

unique culinary specialty (wind-dried ham). Shipping and tourism bring major revenues to the region. The Italian region of Veneto and the municipality of Venice lead in tourism visits (9.5 million visitors annually, 65%); the County of Istria (2.6 million, 17.8%), with its leading tourist municipality of Poreč, follows in significance. Other areas of the region, such as Italy's Friuli-Venetia Giulia (1.8 million, 12.3%) and Slovenia's Primorska (0.7 million, 0.5%) show a smaller number of visitors. Compared to other regions, the Northern Adriatic (14.6 million visitors annually) ranks among the most visited of the European Mediterranean.

Istria is the major peninsula of the Northern Adriatic and the Adriatic Sea. The size of the peninsula is approximately 3,560 km<sup>2</sup>, of which 2820 km<sup>2</sup> (79.2%) are within the borders of Croatia; the Slovenian part of the peninsula encompasses 349 km<sup>2</sup> (9.8%) and the Italian part 391 km<sup>2</sup> (10.9%). The highest peak of the region is the Mount Učka in Croatia (in Italian: Monte Maggiore) with a peak at 1,396 m above sea level, located in the most easterly part of the peninsula. The karstic plains and coastal ridges support farming, which is currently leaning towards typical crops of the Mediterranean (wine, olives) at the expense of traditional grain production. The consumers of agricultural products are, to a high extent, regional tourist enterprises: hotels and restaurants. The Istrian coast has four major urban areas, consisting of ports where manufacturing and shipping takes place: Trieste in Italy (annual cargo tonnage (ACT): 37.4 million), Koper in Slovenia (ACT: 15.7 million) and Rijeka (ACT: 10.2 million) and Pula (ACT: 2.7 million). Trieste and Koper are cruise ship ports of call (each with ca. 110,000 passengers/annum), and Rijeka is the gateway for ferry-ships linking numerous Croatia islands (79 larger one and around 525 smaller) with the mainland (2,500,000 passengers in a year).

#### Brief History of the Northern Adriatic

Istria has experienced several turning points in its history. The Venetian Republic, which controlled much of the Northern Adriatic for almost six centuries, was conquered by Napoleon in 1797. After his final defeat in 1814, Austrian Istria became a Habsburg/Austrian province. The Romance population remained the dominant ethnic group in the

coastal towns, whereas the hinterland was largely in Slavic (Croatian and Slovenian) hands. The major city, the port of Trieste, had an even greater mix of nationalities with Austrian, other south-Slavic and Jewish populations have added to the ethnic mix. The Italian irredentist movement opted for the inclusion of this Austrian territory into the Italian state long before WW1. At the turn of the 20<sup>th</sup> century, the region experienced the first of numerous leisure-oriented visits and the construction of suitable infrastructure for these activities.

The defeat of the Habsburg Empire in 1918 and the Italo-Yugoslav agreement (Rapallo, 1921) turned the peninsula over to Italian hands for more 25 years. After WW2, the victorious Yugoslav communist partisans forced the re-negotiation of the post-WW1 border. In 1947, Winston Churchill's Szczecin-Trieste definition of the Iron Curtain capped the process of spatial and political fragmentation. The following 1954 London agreement placed, after several provisional solutions, the port of Trieste and the immediate hinterland within the state of Italy, whereas the rest of Istria was transferred to the communist regime of the Yugoslav socialist republics of Slovenia and Croatia. The early hard-line Yugoslav socialism was the motivation for one hundred thousand Italian nationals to migrate to their motherland. Later (Udine, 1955), the border between the two states (Italy and Yugoslavia) became one of the most open borders between states of democratic and communist ideologies.

The old Austrian infrastructure in tourism started to be re-used for its initial purpose around 1960, and new tourism projects were commenced. Two decades later, Yugoslavia was among the ten most visited countries of Europe by foreign tourists. Within Yugoslavia, the most beloved region for visits became Istria, since, in the era of early motorization, the Mediterranean region of the Northern Adriatic was in proximity to the German and Italian touristic markets. The disintegration of Yugoslavia, induced partly by political, ethnic and economic disagreements, in 1991 and later, affected Istrian tourism in both of the newly democratic and sovereign nation-states of Slovenia and Croatia. Now, at the dawn of the 21<sup>st</sup> century, as the post-WW2 and other disputes have been replaced via the European Union political framework (Italy, Slovenia and Croatia

are EU members), cooperation in tourism again has a brighter vision. With regard to natural and cultural heritage sites registered by the UNESCO, Croatia is among the richest countries of the Northern Adriatic. Slovenia's uniqueness lies in its diverse natural environments that within short distances or each other.

### The History of Tourism in Istria

Tourism on the Istrian Peninsula has a long tradition. Regarding development, Istria can be compared with the Ligurian and French Riviera, but with regards to recent trends and visits, a comparison with Costa Brava in Spain would be more appropriate. By 1845, the prominent Istrian tourist resort of Poreč offered a well-organized tourist guide service. In 1883, Opatija (German: Abbazia) was the second most visited resort (from among 195) within the Austro-Hungarian Empire; only the casino and spa resort of Karlovy Vary (German: Karlsbad) reported more visitors. In 1912, when Thomas Mann visited Istria, 114,162 visitors were registered in 19 Istrian tourist resorts. In 1938, the Italian region of Istria had 129,838 foreign visitors. Before the collapse of the Yugoslav multi-ethnic federation, Istria was visited by four million tourists, mostly German nationals (40%), followed by Italian, Austrian and British nationals (Blažević, 1996).

### Initiation of Tourism

Leisure in Istria was at first most popular among the nobility. In Opatija, visits by the Habsburgs, in particular by Kaiser Franz Joseph and his family, predated leisure stays by the Romanian King Carol, the German Kaiser Wilhelm II, the Swedish King Oscar, and many others. The aristocratic trendsetters initiated a way of life that also became popular among intellectuals and the newly rich. Poets including Rainer Maria Rilke and Lord Byron and Nobel Prize winners Thomas Mann and Robert Koch frequently visited Istrian localities. In terms of the turn-of-the-century trends, winters and spring visits were more appreciated than the current summer visits to the Mediterranean.

Tourism, as it is known today, was introduced by railways. Due to the construction of three railway lines, the Istrian peninsula became connected to the rest of Europe by easy and inexpensive transportation. The central Trieste-Pula (Pola) Istrian rail

line, connecting the naval port of Austria to its hinterland, was predominantly of strategic importance, whereas railways in the east and west served tourists. The owner of the Vienna-Trieste "Die Südbahn" constructed a side-line from Pivka (St. Peter im Karst) to the harbor of Rijeka serving the interest of tourists keen on visiting Opatija and the Südbahn's luxurious hotel Kvarner on the eastern shores of Istria. Along the western coast of the peninsula, the Trieste-Poreč (Italian: Parenzo) line was constructed. Investments were also made by state institutions of Austria (e.g. Hotel Palace, Portorož) and travel and insurance companies, such as the Lloyd Triestino (e.g. Hotel Riviera, Poreč) (Blažević, 1987).

In his novel "Death in Venice", 1929 literature Nobel Prize winner Thomas Mann described the central character's turn of the century pleasure-journey, around 1910, from Trieste, along Istria's coast, to the islands of Brioni, Pola and further on to Venice:

[...] And one day between the middle and the end of May he took the evening train for Trieste, where he stopped only twenty-four hours, embarking for Pola the next morning ... What he sought was a fresh scene, without associations, which should yet be not too out-of-the-way; and accordingly he chose an island in the Adriatic, not far of the Istrian coast. It had been well known some years, for its splendidly rugged cliff formations on the side next the open sea, and its population, clad in a bright flutter of rags and speaking an outlandish tongue. But there was rain and heavy air; the society at the hotel was provincial Austrian, and limited; besides, it annoyed him not to be able to get at the sea – he missed the close and soothing contact which only a gentle sandy slope affords... He made all haste to correct it, announcing his departure at once. Ten days after his arrival on the island a swift motor-boat bore him and his luggage in the misty dawning back across the water to the naval station of Pola, where he landed only to pass over the landing-stage and on to the decks of a ship lying there with steam up for the passage to Venice. [...] (Mann, 1995, p. 10).

After WW1, investment in tourism and tourism growth contracted, inducing competition among the

regions within Italy. Equally significantly, a steeply declining trend can be observed in the first two decades following WW2. The communist regime (of Yugoslavia) looked upon tourism as a remnant of the bourgeois pre-war period and hindered the attempts of local communities in Istria to make a profit out of it. Instead, industrial development and mining was heavily subsidized. Many hotels became welfare housing units, enabling inland worker families to spend a week or two at the Adriatic coast to almost no cost. As in Spain under Generalissimo Franco, in Yugoslavia, under Josip Broz-Tito, the 1960s saw the initiation of several new developments in tourism. As a leading member of the non-allied movement, Yugoslavia gained the almost unrestricted support of the UN (United Nations) because the country declared its intentions to go forward with plans to (re)construct the tourism industry. UN know-how was used in several development projects ("The Upper Adriatic"; "The Southern Adriatic"). The World Bank provided financial arrangements (Jordan, 1997). These changes substantially affected Istria.

#### Towards Sun, Sea and Sand Tourism Destination

In the mid-1980s, Istria had an average of 30 million bed-nights a year, thus becoming (together with the Mediterranean coasts of Spain) one of the most popular Sun, Sea and Sand destinations of the Mediterranean. The contemporary image of Istria as a Sun, Sea and Sand Mediterranean destination was established by 1975, being the primary results of the construction of mega-hotels and resorts in Portorož (St. Bernardin), in Poreč (Plava laguna, Zelena laguna), Umag (Polynesia), Pula (Veruda), Vrsar (Anita) and Rabac in the 1960s and 1970s. The construction mostly affected the western shores of the Istrian peninsula. Opatija, once the leading tourist destination in Istria, has fallen far behind in investments and visits. Poreč, with close to 9 million bed-nights a year, became the leader of the Istrian resorts in 1985. In contrast, Opatija's 2.5 million a year bed-nights placed the once leading resort well below the Istrian and Mediterranean average (Gosar, 2001).

*Table 1* Number of tourist Beds in Slovene and Croatian Istria in Relation to the National Level (in Thousands)

REGION	2012		2010		2005		1995		1985	
	All	In hotels	All	In hotels	All	In hotels	All	In hotels	All	In hotels
Coast and the Karst*	26	10	25	11	22	12	22	10	27	8
Other Slovenia	96	39	93	37	57	24	51	19	56	22
SLOVENIA	122	49	118	48	79	36	73	29	83	30
County of Istria	245	/	246	/	230	88	215	74	235	92
Other coastal counties**	603	/	632	/	218	119	170	115	320	161
Other Croatia	32	/	32	/	243	18	224	17	265	38
CROATIA	880	/	909	/	691	225	609	206	820	291

Source: Croatian Bureau of Statistics, 2014; Statistical Office of the Republic of Slovenia, 2014.

/ Not specified

\* Includes municipalities Divača, Hrpelje-Kozina, Izola, Komen, Koper, Piran, Sežana.

\*\* Includes counties Primorje-Gorski kotar, Lika-Senj, Zadar, Šibenik-Knin, Split-Dalmatia, Dubrovnik-Neretva.

Table 2 Tourist Arrivals in Croatian and Slovene Istria in Relation to the National Level (in Thousands)

REGION	2012		2010		2005		1995		1985	
	All	Foreign	All	Foreign	All	Foreign	All	Foreign	All	Foreign
Coast and the Karst*	657	399	614	348	516	271	405	188	537	294
Other Slovenia	2640	1756	2392	1521	1441	818	1171	544	2216	762
SLOVENIA	3297	2155	3006	1869	1957	1089	1576	732	2753	1056
County of Istria	2985	2819	2628	2467	2162	2016	893	685	2325	1464
Other coastal counties**	7508	6647	6781	5896	3937	3268	1061	466	5587	3283
Other Croatia	1342	903	1195	748	1037	547	484	173	2213	812
CROATIA	11835	10369	10604	9111	7136	5831	2438	1324	10125	5556

Source: Croatian Bureau of Statistics, 2014; Statistical Office of the Republic of Slovenia, 2014.

\* Includes municipalities Divača, Hrpelje-Kozina, Izola, Komen, Koper, Piran, Sežana.

\*\* Includes counties Primorje-Gorski kotar, Lika-Senj, Zadar, Šibenik-Knin, Split-Dalmatia, Dubrovnik-Neretva.

### Contemporary National Tourism Strategies

#### Tourism Strategy of Sovereign Nation-States

Within Yugoslavia, until 1991, the tourism strategy on the Istrian peninsula was one of interdependent areas. The co-operation between Slovenia's tour-operators, travel enterprises and the Croatian accommodation amenities in Istria was at the highest level. Such a healthy interdependent working environment could also be achieved because the region as a whole had a common history and was, in part, inspired by regionalistic tendencies. Such attitudes are common in regions on the peripheries of states. Two Slovenian travel agencies, Kompas Jugoslavija and Globtour, dominated the tourist market of Istria, offering excursions and serving as the middleman between hotel/accommodation businesses and the tour-operators of Austria, Germany and Great Britain. Transfers from and to the Croatian airports of Pula, Rijeka and Ljubljana were often operated by the third Slovenian player, the bus company Slavnik Koper. The major charter airline of former Yugoslavia, Slovenia's Adria Airways, handled close to 75% of arriving and departing passengers from the above airports. Yugoslavia, with numerous coastal and island resorts in Istria, Dalmatia and Montenegro was among the five

leading European airline inbound tourist destinations in the mid-1980s (Gosar, 1989).

On June 25, 1991, both Slovenia and Croatia declared independence and sealed their territories with (not yet defined) borders. Co-operation in tourism ended almost overnight. The new laws of each of the two young nation-states had to be obeyed. Several travel agencies and bus companies, in particular in Slovenia, had to reduce their business or close not only their offices in the neighbouring state but, due to lack of business, their headquarters. In hotels in Slovenian and Croatian Istria, a lack of "all-inclusive" tourists (who typically came by plane and used the complete amenities of the hotel) was evident. For several years, hotels had to count on individual guests only. Adria Airways had to sell eight of their 14 mid-range jets and turbo-prop aircrafts.

Between 1992 and 1996, tourism enterprises in Slovenia and Croatia had to adapt to new geopolitical and, consequently, economic realities. Not only did the break-up of Yugoslavia produce several independent states, it also induced two wars in the region: from 1991 to 1995 (Croatia, Bosnia and Herzegovina) and in 1999 (Kosovo). At the same time, it changed the basis of the economy: from socialist central plan-

ning and the so-called soft communism economy (self-management) to a market economy (capitalism) and democracy. Independent national economic strategies, based on a market economy, were produced, often with the assistance of international experts. The tourism strategy of Slovenia was produced in 1992 (Sirše et al., 1992). The Croatian tourism strategy had to wait for several years, due to the instability and constant war-like conditions in the tourist region of Dalmatia, and was published in 1996.

#### Diverse Paths in Istrian Tourism

In the Slovenian "Development Strategy for the Economic Sector of Tourism", the traditional spa and other inland thermal resorts gained development priority. With 25 major spa-resorts, Slovenia has rightfully claimed the title of the "Watering Place of Central Europe". Istria's Mediterranean coast in Slovenia was no longer seen as a source for the sun, sea and sand tourism; instead, a great opportunity was sought in the geopolitical fact of being the closest neighbor to the gaming- and gambling-loving population of Italy. In the pre- and post-independence period, Slovenian entrepreneurs opened five casinos along the Italio-Slovene border (of a total ten in all of Slovenia). The tourism strategy supported this trend. For Istria and the "Coast and the Karst" tourist area, the strategy also suggested the development of conference centres and event tourism (Sirše & Mihalič, 1999). Near the Mediterranean beaches, indoor tropical landscapes and aqua parks opened their doors.

The Croatian development strategy remained more conservative. With the exception of the capital of Zagreb, the pilgrimage town of Marija Bistrica, the Castle of Trakošćan and three traditional spa-resorts (Krapinske, Tuheljske and Stubičke toplice) the 85 remaining "major tourist resorts" (Group A) are located on the Adriatic Sea. The 14 tourist resorts of Istria are Opatija, Ičići, Lovran, Medveja, Mošćenička Draga, Rabac, Medulin, Pula, Rovinj, Vrsar, Funtana, Poreč, Novigrad and Umag (Narodne novine, 1994). Despite its traditional view of tourism, the Croatian development plan foresees several manmade or developed attractions that would supplement the abundance of Mediterranean nature. Water-oriented sports like sailing, motorboat yachting, surfing and snorkelling are already booming in Croatian Adriatic resorts. Other sports, such as tennis, horseback

riding and golf, have also been developed in traditional fishing villages. In the sub-coastal, hilly inland of Istria, wine-routes and rural tourism have gained ground (Boškovič, 2000; Jordan, 2000).

The transition from the communistic central planning model to a market economy was far from having clear goals in the national strategy. At first, the former state-owned mega-enterprises became subdivided into smaller units (hotels, restaurants, shops, play grounds and beach), thereby becoming legally independent. Due to the economic problems of the communist past, the financial value of those small units was at a minimum at this point. The consequences were fictitious bankruptcies, which puts those companies into hands of well-informed individuals, often politicians. For a short period, state-owned banks became owners of these "insolvent" companies. Selling the assets to the highest bidder, including local or international consortiums, investment groups, hotel-chains or tour operators, was the next step in this transition process. In Croatia's Istria, foreign investors were eager to establish themselves:

- The Spanish hotel enterprise Sol Melia bought-up major resorts in and around two Istrian towns Umag and Rovinj. The naturist camp and several hotels in Vrsar have received British and German owners. Hotels in Pula are in hands of the Italian finance and investment institution Marconi (Šuligoj, 2000a).
- Istria's largest tourist resort Plava laguna (The Blue Lagoon) was bought-up by a Croatian émigré and owner of copper mines in Chile. The enterprise was managed for several years by an American management institution (Gosar, 2001).
- Opposite to the Slovenian resort of Portorož, in Savudrija, Croatia, the investment of Hypo-Adria Bank finally resulted into the opening of Kempinski Adriatic Resort and Golf Course in 2008 (Šuligoj, 2001).

In Slovenian Istria, transition followed the path as described above. However, foreign investors were hindered, to some degree, from investing in the Slovenian tourist infrastructure. Well-established domestic firms, like publishing houses, pharmaceutical firms, automotive companies, etc., expressed in-



terest in becoming owners. Profits made in their primary business have been invested into hotels, marinas, aqua parks and other real estate and management of the industry:

- The Terme Čatež spa invested in hotels in the port-town of Koper. Hotels gained indoor and outdoor freshwater and saltwater pools, and waterparks in artificial tropical environments. The investment was made possible because Slovenes were hindered in visiting their favorable Mediterranean resort due to the war in Croatia between 1990 and 2000, and have therefore found their own "continental Adriatic" in watering places of their own country.
- The Krka pharmaceutical firm first bought spa-resorts (Dolenjske toplice, Šmarješke toplice) and then the Mediterranean coastal resort of Strunjan, renovating it to the standards of a wellness resort.
- The Istra Benz petrol and gas distributor invested in the hotel infrastructure of Portorož, the largest Mediterranean tourist resort in the Slovenia. The firm has a major say in the yacht harbour-marina and operated most of hotels (Life Class Hotels) in town (Popit, 2000).
- The Austrian Monarchy's 1906 hotel ruin Palace was renovated to 21<sup>st</sup> century hotel standards by the above-named petrol distributor and in 2008 sold to the Kempinski hotel group (Šuligoj, 2000b).

### Contemporary Tourism in Istria

Istrian tourism has an approximately similar status in the economies of both countries. Slovenian Istria had 22% of the overall number of guest-beds of the state in 2012; in Croatia, the number of guest-beds in Istria was 28% of the Croatian total. In Croatia, the amount of accommodation amenities has not changed dramatically. In fact, in several tourist resorts, the number of beds offered has fallen due to the reconstruction of hotels and the enlargement of rooms. New accommodation amenities are rare, as many potential investors hesitate to invest in regions where political instability was present so recently.

The renovation of hotels, particularly in Slovenia, is, therefore, more common. However, if the amount of Croatian Istria guest-amenities is compared with the same in the Slovenian part of the region, a ratio of 1:10 is evident (90.4% in Istria of Croatia and 9.6% in Istria of Slovenia). Slovenes were very slightly better off in providing guest beds in hotels (38.5% hotel-beds in Slovenian Istria in 2012 against 38.2% in Croatian Istria. Among motives to visit, new amenities related to gaming and gambling, cycling, tennis and golf as well as to wine tasting (oenology) and culinary pleasures are observed. In the first decade of the 21<sup>st</sup> century, 'sun, sea and sand motives' intermingle with activity and action types of tourism in both nation-states.

### Status of Tourism in Istria

The number of available amenities has no relation to the number of tourist visits and their overnight stay in the region. Visits to Croatian Istria show predominantly a seasonal character (April–September); accordingly, the majority of hotels and other tourism-related amenities close during the winter. Slovenian hotels do not close their doors (one exception in early 2014). In the peak-years of Croatian/Yugoslavian tourism (1980–1986), the relation of guest-visits to Istria was 23:77 in favour of other Croatian tourist regions. However, in 2012 Istria registered close to one quarter of all visitors to Croatia (25.2%), thus becoming the most profitable tourist region of the nation. The share of visitors to Slovenian Istria remained almost equal: in 1985, 19.5% of all visits to Slovenia resided in Istria, while, in 2012, such visits amounted to 20.0%. Visits to both parts of Istria annually provide about 24 million bed-nights: about 22 million in Croatia and about 2 million in Slovenia. Citizens of Slovenia (16.2%) and neighboring EU countries, such as Austrians (10.9%) and Italians (9.5%), consider Istria as a whole to be the playground in their own backyard and therefore make a substantial amount of visits. However, because Bavaria is a mere four driving hours away, in 2012 German residents were leading in the overall number of visits (28.3%). Most popular for them is the Croatian part of Istria (30.1%); the share of German visitors in Slovenian Istria is far below 10% (Table 5) (Statistical Office of the Republic of Slovenia, 2001).

Table 3 Istria: Accommodation Amenities in Leading Tourist Resorts

RESORTS	Beds (in 000)							
	2010		2005		1995		1985	
	All	Hotel	All	Hotel	All	Hotel	All	Hotels
Portorož	8.2	5.1	9.5	5.1	8.9	4.5	12.2	4.5
Piran	1.2	0.3	1.4	0.3	1.1	0.3	1.8	0.3
Strunjan	1.6	0.7	1.5	0.8	1.4	0.7	1.8	0.0
Izola	3.8	1.6	3.1	1.1	2.9	1.1	3.1	0.6
Koper	1.1	0.6	0.9	0.5	1.2	0.4	1.0	0.4
Ankaran	3.2	0.7	3.1	0.7	3.6	0.7	3.2	0.6
SLOVENE IS- TRIA*	19.1	9.0	21.8	9.1	22.1	10.6	23.1	7.5
Umag	32.3	9.7	29.6	12.1	27.7	11.3	46.2	18.8
Novigrad	11.1	1.5	9.1	1.8	8.5	1.7	10.2	2.1
Poreč	24.3	11.5	50.6	23.9	47.3	22.3	49.3	23.2
Vrsar	19.6	2.8	37.8	4.0	35.3	3.7	38.7	4.1
Rovinj	39.1	6.6	33.7	12.2	31.5	11.4	32.8	11.9
Pula	20.9	6.6	17.9	10.1	16.7	9.4	45.7	25.7
Rabac	10.3	5.4	1.1	5.8	9.4	5.4	11.4	6.3
CROATIAN ISTRIA**	268.4	/	230.3	88.3	215.2	73.2	234.5	92.1

Source: Croatian Bureau of Statistics, 2006; 2014; Statistični urad Republike Slovenije, 1997; 2007; 2014.

\* The Tourist-region "Obala in Kras" (The Coast and the Karst).

\*\* The Province of Istria (County of Istria).

Tourism growth, according to data regarding bed-nights and visits, reflects the political situation and the societal and economic transition that took part over the previous two decades. Istria's tourism reached its peak of visits in the 1986. More than 30 million bed-nights were registered, among them, almost 27 million were in Croatian Istria. The 13 leading tourist resorts (Table 4) registered 23.8 million bed-nights. The region was popular among foreigners who made 58% of tourist visits to the Slovenian and 64% to the Croatian parts of Istria. The violent demonstrations of Serb nationalists in Croatia, and plans for independence, in the summer of 1989 reduced visits to a large extent. Tourist visits in 1995, compared to data of the mid-1980s, amounted to 57%

in Slovenia and 24% in Croatia. In the fourth year of independence, as the violent conflict in Croatia neared its end, Croatian Istria registered just 31.1% of tourist visits in comparison to those of 1986. In Slovenia, where the independence declaration on June 25, 2001 resulted in a mere ten days of fierce fighting, Istrian tourism survived with a 28.6% reduction of visitors. Primarily due to its geographic distance from the war, Istria was better off in terms of visits compared to the rest of the Croatian regions.

#### Changed Structure of Visitors to Istrian Tourist Destinations

In the new nation-states, the structure of visitors changed dramatically. Whereas in Slovenian Istria

visits made by guests from abroad declined (46% foreign nationals), international visits to Croatian Istria, in relation to domestic, increased (77% foreign nationals). There are several reasons for such developments. One definitely lies in the tourism statistics: since 1991, those considered domestic tourists are Croatian citizens only, whereas visitors from other parts of the former Yugoslavia, considered “domestic” until 1991 (including Slovenes) are considered “international visitors”. Therefore, in the Croatian statistics, visits to one of the traditional playgrounds of Slovenes in Croatia, to the Istrian peninsula (where close to 10,000 second homes and other real estates of Slovenian citizens exist), Slovenes are no longer registered as “domestic” (meaning Yugoslav) but as guests from abroad. In contrast, the wars in Bosnia and Herzegovina, and in particular in the Croatian province of Dalmatia, another traditional Slovene summer holiday destination in Croatia, have kept Slovenes either in their own state or in the near vicinity (in Croatian Istria). The absolute increase of “domestic”, i.e. Slovene, tourists in Slovenian Istria, and the absolute and relative increase of Slovene tourists (as “international visitors”) in Croatian Is-

tria, and the general decline of the number of other international visitors characterize the tourist statistics in both nation-states in the 1990s. (Kerma et al., 2009). Accumulated data for 2010 in Slovenia and 2012 in Croatia reveals that visits and bed-nights in Istria have almost surpassed the peak figures registered in the mid-1980s (Table 4).

The analyses of TOMAS (Tourism Marketing Study) questionnaires distributed among several thousand tourists in Croatian and Slovenian Istria in 1997, 2000 and 2004 has revealed that the natural environment (the sea, the sun) with their human-made resources (dried ham, wine, casinos) received highest grades. The observations made by tourists point out the shortage of events, in particular presentations of local ethnography (dances and songs), and other high-adrenaline-type offerings (sports). According to TOMAS, Istria is a preferred region by tourists with mid-sized budgets, families with children, and the age group between 20 and 40 years. The most probable origin of the average tourist in Istria is West- or East Central Europe (Mikačić, 1994; Marušić, 1997; Škafar et al., 1998).

*Table 4* Accommodation Amenities, Number of Tourist Arrivals and Nights in the Leading Tourist Municipalities in Croatian and Slovene Istria in 2012

2012	Tourist beds			Tourist arrivals			Tourist nights			
	Number	Share (%)*	Total	Share (%)*	Domestic tourists	Foreign tourists	Total	Share (%)*	Domestic tourists	Foreign tourists
Labin	11,314	1.3	194,537	1.6	8,213	186,324	1,215,829	1.9	30,085	1,185,771
Novigrad	10,834	1.2	161,869	1.4	6,421	155,448	852,590	1.4	18,836	833,754
Vrsar	18,764	2.1	171,166	1.4	2,319	168,847	1,387,632	2.2	18,434	1,369,198
Poreč	23,485	2.7	409,679	3.5	21,595	388,084	2,624,977	4.2	71,911	2,553,066
Pula	18,283	2.1	229,635	1.9	29,087	200,548	1,259,393	2.0	101,489	1,157,904
Rovinj	32,726	3.7	427,730	3.6	24,940	402,790	2,981,256	4.8	80,061	2,901,195
Umag	21,055	2.4	340,439	2.9	25,404	315,035	1,725,976	2.8	93,728	1,632,248
County Istria - TOTAL	245,267	27.8	2,985,042	25.2	166,161	2,818,881	19,877,368	31.7	656,538	19,220,830

2012	Tourist beds		Tourist arrivals				Tourist nights			
	Number	Share (%) <sup>*</sup>	Total	Share (%) <sup>*</sup>	Domestic tourists	Foreign tourists	Total	Share (%) <sup>*</sup>	Domestic tourists	Foreign tourists
<b>CROATIA</b>	<b>881,626</b>	<b>100.0</b>	<b>11,835,160</b>	<b>100.0</b>	<b>1,465,934</b>	<b>10,369,226</b>	<b>62,743,463</b>	<b>100.0</b>	<b>5,221,326</b>	<b>57,522,137</b>
Izola	4,622	3.8	121,541	3.7	49,207	39,229	327,099	3.4	197,491	129,608
Koper	5,253	4.3	99,909	3.0	58,284	41,625	351,190	3.7	224,770	126,420
Piran	14,685	12.1	408,626	12.4	143,549	265,077	1,372,806	14.4	483,231	889,575
Slovene Istria - TOTAL	24,560	20.2	630,076	19.1	251,040	345,931	2,051,095	21.6	905,492	1,145,603
<b>SLOVENIA</b>	<b>121,541</b>	<b>100.0</b>	<b>3,297,556</b>	<b>100.0</b>	<b>1,141,944</b>	<b>2,155,612</b>	<b>9,510,663</b>	<b>100.0</b>	<b>3,733,459</b>	<b>5,777,204</b>

Source: Croatian Bureau of Statistics, 2014; Statistical Office of the Republic of Slovenia, 2014.  
<sup>\*</sup> within the frame of the nation-state (Croatia/Slovenia).

*Table 5* Numbers and Shares of Overnight Stays in Slovene and Croatian Istria by Countries of Residence in 2012

Countries of residence	Slovene Istria, Slovenia <sup>*</sup>	Share (%)	County of Istria, Croatia	Share (%)	Total Istria (Slovenia and Croatia)	Share (%)
Austria	243,680	11.9	2,386,951	10.9	2,630,631	10.9
Bosnia and Herzegovina	6,329	0.3	85,679	0.4	92,008	0.4
Croatia	9,507	0.5	932,889	4.2	942,396	3.9
Czech Republic	28,609	1.4	745,190	3.4	773,799	3.2
France	19,080	0.9	247,497	1.1	266,577	1.1
Germany	172,967	8.4	6,627,614	30.1	6,800,581	28.3
Hungary	37,226	1.8	329,216	1.5	366,442	1.5
Italia	248,702	12.1	2,039,863	9.3	2,288,565	9.5
Netherlands	25,553	1.2	1,679,780	7.6	1,705,333	7.1
Other countries	287,426	14.0	2,809,740	12.8	3,097,166	12.9
Poland	20,410	1.0	467,024	2.1	487,434	2.0
Slovakia	15,654	0.8	235,077	1.1	250,731	1.0
Slovenia	905,492	44.1	2,992,118	13.6	3,897,610	16.2
United Kingdom	17,841	0.9	360,173	1.6	378,014	1.6
USA	12,619	0.6	54,058	0.3	66,677	0.3
<b>TOTAL</b>	<b>2,051,095</b>	<b>100.0</b>	<b>21,992,869</b>	<b>100.0</b>	<b>24,043,964</b>	<b>100.0</b>

Source: Croatian Bureau of Statistics, 2014; Statistical Office of the Republic of Slovenia, 2014.  
<sup>\*</sup> Includes (only) coastal municipalities Izola, Koper, Piran and not the Karst hinterland.

In general, since 2000, a highly positive trend has been observed regarding international visits:

- In both parts of Istria, guests from neighboring regions and states of Central Europe (Venetian Italians, Austrians, Hungarians, Czechs, Slovaks, Bavarian Germans and Slovenes) dominate, in contrast with the pre-independence years in which Germans, English and Dutch citizens comprised the bulk of visitors.
- All-inclusive air-hotel arrangements are reduced in quantity; instead, individual bookings and half-pension arrangements for motorists, made by travel agencies, are common in summer. Out-of-season visits by specialist groups (bicyclist, football teams and other training-oriented groups), in particular older people, travelling by bus, have become very popular.
- In Croatian Istria, 75% of visits are made during the peak-summer season (June, July, and August), as visitors prefer to stay one week or more (Poreč-Parenzo average: 6.8 days). Among the West European naturist clubs, the well-known resorts of Vrsar-Koversada (7.9 days) and Rovinj-Rovigno (7.4 days) lead regarding length of stay.
- In Slovenian Istria, tourist visits in the peak-summer season equal the number of visits in other nine months of the year. However, the average visit lasts just 3.6 days, highlighting the fact that event tourism (congresses, meetings) and all-year long week-end tourism, particularly in gambling and aqua park environments, are general motives for tourist visits. Similar trends can be observed in the neighboring Croatian tourist resort of Umag (5.9 day average) where the casino and different sport facilities (tennis training camps; marina) have both shortened the average length of stays and prolonged the season.

## Conclusion

The peninsula of Istria is one of the Mediterranean's major tourism destinations. Regarding the early contemporary tourism development (post-1960s), this tourist destination could be compared to that of Costa Brava, Spain. Since the partition of Yugoslavia into independent and sovereign nation-states (1991),

four fifths of the peninsula is shared by Slovenia and Croatia. The smaller part of the peninsula, around the port of Trieste, belongs to Italy and plays a limited role in regional tourism. Slovenia's efforts to join the EU and NATO succeeded in 2004, while Croatia joined the EU in 2013. In the past two decades (1990–2010), both tourist destinations have experienced an atypical tourism development cycle induced by:

- Ethnic disputes, conflicts and wars (which were fought in relatively distant areas from Istria, in southern Croatia, Bosnia and Herzegovina and Kosovo);
- Transition from the socialist central planning to contemporary market economy;
- Division of the former federal state (Yugoslavia) into sovereign entities.

The post-socialist transition period included the takeover of state-owned tourist infrastructure by banks, international consortiums and private owners. Due to diverse state politics, tourism in Istria has become diversified. In both Slovenia and Croatia, local entrepreneurs now have a limited say in tourism management. In Croatia, international tourism enterprises, consortiums and banks dominate the market economy. In Slovenia, businesses not related to tourism, e.g. pharmaceutical enterprises, publishing houses, tire producers and petrol distribution companies, residing in the hinterland and nation's capital, manage the coastal tourism industry. Tourism bed-nights in Slovenian Istria are based on hotel and bed-and-breakfast accommodation, whereas in Croatian Istria camping and apartment-type tourism still prevails. Contemporary tourism trends, such as casinos, nautical and sport tourism, as well as inland wine and farm tourism, have made an excellent entry into the tourism industry of both countries.

The once politically and economically unified area of Istria has had to adapt to diverse national rules of law, tourism strategies and market economies. After a sharp decline in the 1990s, tourist and bed-night numbers have returned to the record numbers of the 1980's. However, the structure of visitors has changed. British, Dutch and Scandinavians visits decreased as visits from the region, in particular from the neighbouring countries of Italy, Austria, Hungary, as well as southern Germany and Slovenia

increased. Slovenian and Croatian Istria has become a playground of the region. The numerous cross-border development projects of the EU will enable increased cooperation of enterprises and entrepreneurs (including research institutes) of Istria's Slovenian and Croatian part and a substantial number of innovative tourism products should soon be offered on the market.

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# The Perceived Social Impacts of the EuroBasket 2013 on Koper Residents

**Miha Lesjak**

*University of Primorska, Faculty of Tourism Studies – Turistica  
miha.lesjak@fts.upr.si*

**Eva Podovšovnik Axelsson**

*University of Primorska, Faculty of Tourism Studies – Turistica  
eva.pa@fts.upr.si*

**Maja Uran**

*University of Primorska, Faculty of Tourism Studies – Turistica  
maja.uran@fts.upr.si*

Major sporting events cause many socio-cultural impacts (positive and negative) that go beyond the scope of events and, consequently, affect a variety of aspects of relations of the local community (Cornelissen & Swart, 2006). This study analysed Koper residents' perceptions of socio-cultural impacts on the biggest European sporting event in 2013, EuroBasket 2013. A total of 746 responses were collected, the results of which showed that respondents highly ranked positive cultural impacts, such as exchanges between tourists and residents, opportunities to learn about other cultures and better understanding of other nationalities. Negative social impacts caused by major sporting event, such as crime, vandalism and prostitution were ranked low by the respondents. In contrast, respondents identified traffic congestion and parking issues as highly ranked adverse social impacts caused by EuroBasket 2013. Additionally, the extent to which the socio-demographic characteristics of respondents, such as the length of residence in town, living close to the centre of the event, the sport-activity of residents, gender, economic status, education and age, may affect residents' perceptions was also investigated. Based on the results, a future investigation on sport active residents as potential spectators and users of sport infrastructure is recommended. This study will also contribute to filling the research gap and allow further understanding of the nature of socio-cultural impacts caused by specific events and specific host destinations.

*Keywords:* socio-cultural impacts; major sporting events; EuroBasket 2013; local residents

## Introduction

According to the UNWTO (United Nations World Tourism Organization), sport tourism is one of the fastest growing sectors of the global tourism industry, worth approximately 600 billion dollars per annum (Davies & Williment, 2008, pp. 222; UNWTO, 2001). The sports-related major tourist events that

have shown rapid growth in recent years (Zhou, 2010) are becoming an increasingly important motivator of tourists, by attracting global audience, improving international place branding, forming tourism promotion, influencing destination competitiveness, overcoming seasonality and creating a lasting legacy for the country, especially the local community (Fou-



rie & Santana-Gallego, 2011; Jeong & Faulkner, 1996; Kang & Perdue, 1994; Getz, 1997; Getz, 2008; Gratton & Preuss, 2008; Preuss, 2007). The strategic integration of major sporting events in the overall range of tourism products of the host destination and the maintaining of positive relationships of the local residents is becoming increasingly challenging for the responsible organizers of sport events throughout the world (Chalip & McGuirty, 2004).

Currently, it is becoming increasingly important for planners to assess the opinions of local residents since the views of the host community are vital for both the short and long-term success of organization of events (Williams & Lawson, 2001; Hernandez, Cohen & Garcia, 1996). A positive attitude of residents towards major sporting event has a decisive influence on the organization and execution of the event (Gursoy, Kim, & Uysal, 2004). While residents with positive attitudes support the event and often actively participate as organizers and spectators, those with the negative attitudes may protest such events and cause the cancelation of them (Gursoy & Kendall, 2006).

A growing amount of research reflects interest in investigating the socio-cultural impacts of major sporting events (Fredline, 2006). However, authors (Pranić, Petrić, & Cetinić, 2012; Zhou, 2010; Kim & Petrick, 2005; Waite, 2003; Zhou & Ap, 2009) note that past studies of local residents' perceptions regarding short-term, one-time, or periodic tourism events were mainly concentrated on the most prominent global sport events (e.g. Olympic Games and FIFA World Cup) in large, well-developed metropolises; therefore, more studies that focus on host destinations' unique historical, cultural, economic and environmental background, as well as on the nature, scale, place, and duration of the events are needed (Barker, 2004). The current study, therefore, seeks to investigate the resident's perceptions of the socio-cultural impacts of the EuroBasket 2013 (European Basketball Championship) and the extent to which the socio-demographic characteristics of respondents, such as length of residence in the town, living close to the centre of the event, sport-activity lifestyle, gender, economic status, education and age may effect resident's perceptions. EuroBasket 2013, the biggest European sporting event of that year, was organized, in the small coastal town of Koper, Slo-

venia (other locations: Celje, Jesenice and Ljubljana). This study will help to fill the research gap and allow further understanding of the nature of the socio-cultural impacts caused by the specific event and the specific host destination.

## Literature Review

### Major Sporting Events

Nowadays, organized sport generates planning events that can evolve from local to international in attractiveness if they are planned strategically, thus becoming important generators and determining factors in attracting tourist arrivals for destinations (Getz, 2012). Despite the significant financial investment, the competition for the organization of major sporting events, as well as the expectations of local communities and destinations (cities), are in many cases very high (Deccio & Baloglu, 2002).

The phenomenon of major sporting events in the area of social science research is a relatively new, but has been receiving a great deal of the academic attention over the last 20 years (Antoniou, 2011, p. 1). Major sporting events, as a form of the sport and tourism, are becoming an increasingly popular and important economic and strategic factors for tourist destinations and, consequently, an excellent opportunity or concern to local communities. Consequently, an increasing number of studies have been dealing with the tourism impacts of major sporting events and the attitudes of the residents towards the organization of such events. Many authors recognize that major sporting events have a number of positive and negative economic, social, cultural, environmental (physical), political, media, psychological and other impacts on the local communities (Ritchie, 1984; Nunn & Rosentraub, 1997; Bull & Lovell, 2007; Fredline, Jago, & Deery, 2003; Fredline & Faulkner, 2000; Kim & Lee, 2006; Ntloko & Swart, 2008; Mihalič, Šlander Wostner, Rebec & Slak, 2008; Turco, Swart, Bob, & Moodley, 2003; Lorde, Greenidge, & Devonish, 2011; Müller (2011); Prayag, Hosany, & Nunkoo, 2013).

The planning and management of major sporting events is becoming a highly complex factor, affecting the development of tourism destinations and consequently the quality of life of residents. Authors, e.g. Gursoy & Kendall (2006) and Teye, Sirakaya, & Sönmez (2002), have discovered that, especially in developing countries, the integration of local communi-

ties in decision-making and project management of major sporting events is quite limited. In its strategic documents and analyses, the World Tourism Organization (UNWTO) demonstrates that it is essential to monitor the environmental, socio-cultural and economic impacts and attitudes of the residents to ensure the sustainable development of tourism destinations. Sustainable development provides an acceptable level of relations to the business interests of the residents and visitors (UNWTO, 2004). Andereck & Vogt (2000, p. 17) also note that it is difficult to ensure the sustainable development of tourism destinations without the support and involvement of local communities. The positive attitudes and hospitality of the local community have thus become crucial for the local tourism industry, the aim of which is to operate in accordance with sustainable development and the needs of host communities, Andriotis (2005).

Impacts arising from the organization of major sporting events are short-term as well as long-term, positive or negative on the local community and the environment in which the event is held. Awareness of the balanced assessment of the relationship of local residents and other stakeholders involved in the organization of major sporting events is becoming increasingly important as it includes the integration of socio-cultural, environmental and economic impacts, and the appropriate execution brings the desired sustainable development.

#### Socio-Cultural Impacts of Major Sporting Events

Major sporting events cause many socio-cultural impacts (positive and negative) that go beyond the scope of events and, consequently, affect a variety of aspects of relations of the local community (Cornelissen & Swart, 2006). Several researchers who have investigated them identify a number of positive and negative socio-cultural influences that are associated with major sporting events (Deccio & Baloglu, 2002; Pillay & Bass, 2008; Ohmann, Jones, & Wilkes, 2008; Pranić et al., 2012; Ritchie, Shipway, & Cleeve, 2009; Waitt, 2003; Prayag et al., 2013; Zhou & Ap, 2009; Preuss & Solberg, 2008). Delamere (2001) notes that the awareness of the impacts associated with the organization of major sporting events is very important in terms of social-cultural and economic development and must be balanced.

Being less tangible than economic impacts and more difficult to measure, socio-cultural impacts have not received much research attention, (Getz, 2005; Kim & Petrick, 2005). Stakeholders involved in the process of the implementation of major sporting events perceive socio-cultural influences as short term or long term, positive and negative (Higham, 2005). When discussing social and cultural impacts, there is often confusion about the difference between them. Social impacts are seen as short-term consequences having immediate effects on the residents' quality of life, while cultural impacts are long term in nature and include changes in social relationships, norms and standards. Both are often linked to negative outcomes and require local community support (Balduck, Maes, & Buelens, 2011; Brunt & Courtney, 1999; Teo, 1994).

Short-term negative impacts include eviction or the displacement of the residents, an increase in rents, allowing only the seasonal employability and poorly paid jobs, disruptions of the daily routine of the residents due to overcrowding, traffic congestion and lack of parking spaces, and increases in the levels of crime, vandalism and prostitution, thus reducing the impact on the safety of the local residents (Chen, 2006; Briedenhann, 2011; Konstantaki & Wickens, 2010).

In addition to negative socio-cultural impacts that are more easily seen, major sporting events also bring positive impacts, such as the increased pride of the local population, improvements to the quality of life, reduced social exclusion, reinforced cultural values and traditions, identity and nation building (Ritchie et al., 2009). They also play an important role in strengthening the sense of belonging to the place and improve the identity of local communities (Moscardo, 2007).

The support of local community when organizing major sporting events is largely dependent on the benefits and costs caused by events. As identified by Ritchie et al. (2009) it is crucial to understand the perceptions of the local residents that can either support or oppose the organization of major sporting events. This is what ultimately determines the success of the implementation and the legacy of a major sporting event in the local community.

### **Sporting Events in Slovenia**

Each year, a number of traditional international sports events are organized in Slovenia that are important in terms of linking sport and tourism. The most recognizable, which attract many visitors and international tourists, causing tourism impacts and interaction with local residents, are the World Cup ski jumping competition in Planica, the Ljubljana Marathon, the World Cup skiing for both men ("Vit-ranc") in Krajnska gora, and for women ("Golden Fox") in Maribor. Since Slovenia rarely hosts major sporting events, such as the EuroBasket 2013 (European Basketball Championship 2013), studying the attitudes of local residents regarding major sporting events enables the launch of an important research field of sustainable development of major sporting events.

#### **EuroBasket 2013**

EuroBasket (previously the European Basketball Championship) is a basketball competition contested biennially by the men's national teams under organization by FIBA Europe. ([www.fibaeurope.com](http://www.fibaeurope.com)). Over 19 days, from 4 to 22 September 2013, the biggest sporting event in the history of Slovenia, the 38th EuroBasket with twenty four basketball teams participating, was hosted by four destinations: Koper, Celje, Ljubljana and Jesenice. Based on the organizers' statistics, approximately 55,000 international visitors (persons travelling to the country whose main motive was to attend EuroBasket 2013 matches) visited Slovenia (KZS, 2013) and offered an excellent opportunity for a young country, especially in the field of promotion and integration of tourism and sport. Accredited media representatives from 40 countries produced TV broadcasts and other media in 167 countries around the world, with subsequent impact on the promotion of Slovenia (KZS, 2013). The Municipality of Koper, situated along Slovenia's coastline, with a total population of approximately 47,000 residents (SORS, 2012) was one of the host towns of EuroBasket 2013.

Koper, the economic centre of Slovenia's Istria region, a meeting point of nautical, seaside and sports tourism, is a small town by global standards and does not frequently host international major sporting events. In addition to hosting the group stage of European Handball Championship for men in year

2004, the organization of first round group matches of EuroBasket 2013 in Koper was the biggest sporting event, which offered a great opportunity for better tourism results. However, it did cause several positive and negative economic, environmental, infrastructural, socio-cultural, promotional and other impacts felt by local residents. The focus of the research presented herein will be to investigate residents' perceptions on social-cultural impacts caused by EuroBasket 2013.

### **Social Exchange Theory (SET)**

From planning to the execution of major sporting events, the attitudes of the local residents are divided, since the organization of a major sporting event in the local community brings many positive and negative impacts of tourism. Some expect positive results and benefits from the organization while others are more inclined to negative views and see it as an expense. The predominant theoretical basis for many studies in the field of tourism impacts and attitudes of the local residents to the development of tourism destinations is the Social Exchange Theory (SET).

Most empirical studies in the field of tourism development have been carried out on the basis of the SET and the exploration of the positive and negative impacts (costs and benefits), which reflect the attitude of the local community in relation to the development of tourism (Huttasin, 2008; Nunkoo & Ramkissoon, 2011; Tovar & Lockwood, 2008; Lee, 2013). Ap says that SET is a sociological theory generally concerned with understanding the exchange of resources between individuals and groups in situations of interaction (Ap, 1992, p. 668). Many authors (Oviedo-Garcia, Castellanos-Verdugo, & Martin-Ruiz, 2008; Gursoy & Kendall, 2006; Nunkoo & Ramkissoon, 2011; Wait, 2003; Allen, Hafer, Long, & Perdue, 1993; Lorde et al., 2011; Latkova & Vogt, 2012; Prayag et al., 2013) use this theory in their work for the study and interpretation of the perceptions of tourism impacts and attitudes of the local residents. As Ap (1992) notes, the primary motive for the social exchange of local residents is the process of increasing their socio-cultural and economic well-being. In other studies (Jurowski & Gursoy, 2004; Ritchie et al., 2009; Twynam & Johnston, 2004), it was determined that the local community that receives major economic benefits is more favourable to the or-

ganization of major sporting events from those that do not experience any economic benefits. The same applies to socio-cultural benefits that local population experiences in the form of increased opportunities for sporting activities in order to improve sports infrastructure, increase interaction with tourists and cultural exchanges, and improve the urban environment (Sadd, 2010). Based on research (Sheldon & Var, 1984; Lankford, 1994; McCool & Martin, 1994; Ohmann et al., 2008), it was also found that the length of the residence in the destination and the impacts caused by major sporting events also influence the perceptions of the local residents.

In conclusion, we find that people who identify positive outcomes with the organization of major sporting events, normally support the further development of tourism and sporting events, while those individuals at the organization who feel the negative consequences of this exchange, consequently, do not support it.

### Research Methodology

The far most common approach to conducting such research, i.e. the measurement of host residents' perceptions, was used within this study. The data collection instrument used was a socio-cultural impact scale designed for large events, based on prior research (Ohmann et al., 2006; Kim, Gursoy, & Lee, 2006; Gursoy, Jurowski, & Uysal, 2002; Ritchie, 1984; Ritchie et al., 2009), which allows us to make a direct comparison with other findings. The item content was based on the need to create a socio-cultural impacts scale exclusively relevant for major sporting events.

Reflecting on relevant literature, we have discovered that the majority of the investigations of socio-cultural impacts was conducted using questionnaires (Ohmann et al., 2006; Zhou & Ap, 2009; Ntloko & Swart, 2008; Kim et al., 2006; Ritchie et al., 2009; Lorde et al., 2011; Martin & Barth, 2013; Prayag et al., 2013). The perceptions were measured through face-to-face structured interviews among Koper residents using interviewer-completed questionnaires.

*The aim of the paper is to test the next research hypotheses:*

- *Hypothesis 1: The socio-demographic characteristics of local residents influence the perceived so-*

*cio-cultural impacts caused by the organization of a major sporting event.*

- *Hypothesis 2: The length of the residency of local residents influences the perceived socio-cultural impacts caused by the organization of a major sporting event.*
- *Hypothesis 3: The sport-activity lifestyle of local residents influences the perceived socio-cultural impacts caused by the organization of a major sporting event.*

### Sampling and Data Collection

The survey was conducted in the municipality of Koper in October and November 2013. The questionnaires consisted of two sections. In the first part, a set of statements that were addressed in the literature investigating socio-cultural impacts was covered (Ntloko & Swart, 2008; Ohmann, et al., 2006; Kim et al., 2006; Ritchie et al., 2009; Lorde et al., 2011; Martin & Barth, 2013; Prayag et al., 2013;) using the Likert-type scale (Likert, 1976) where 1 = strongly disagree and 5 = totally agree, while in the second part, the demographics of the respondents found in previous literature review (Ohmann et al., 2006; Ritchie et al., 2009; Martin & Barth, 2013) that might influence residents perceptions during the organization of major sporting events (gender, age, education, economic status, length of residence in the town, living close to the centre of event and sport activity lifestyle, etc.) were researched. The survey was pretested on a small sample of fifty residents of Koper to ensure that respondents understood questions properly and to ensure that the survey length was appropriate for such kind of data collection.

The interviewing process of field work started shortly after the final EuroBasket 2013 match, played on 22 September 2013, to ensure that local residents remembered the impacts caused by EuroBasket 2013. A similar approach was used by Ohmann et al. (2006) in researching perceived social impacts on 2006 FIFA World Cup on residents of Munich, Germany. The field work was done by trained master's degree students of the Faculty of Tourism Studies –Turistica who were educated about and familiarized with the content, method and the purpose of research. The population of interest were residents of the municipality of Koper as one of the four hosting towns

(the others were Celje, Ljubljana and Jesenice) of EuroBasket 2013, a major sporting event. Convenience sampling was used as a sampling method, which enabled meeting the needs of research covered of various sections of the local residents. The interviews were conducted at three different locations in the municipality of Koper, the busiest city street (promenade) and at the entrance of largest shopping centres in the town (Supernova and Planet Tuš Koper) where every fifth person was interviewed in the morning from 9 to 12 am and afternoon from 3 to 7 pm. Similar methods and data collection were used in works of Lorde et al. (2011), Martin and Barth (2013) and Prayag et al. (2013). In total, we received 746 valid answers.

The collected data was statistically processed and analysed with IBM SPSS PASW software. We have used descriptive statistics to describe the distribution of variables and their indicators, the correlational coefficients to test the validity of the research instrument, Cronbach's Alpha to test the reliability of the research instrument, the factor analysis to reduce the number of indicators, and the regression analysis to test the research hypotheses.

## Results

Table 1 Presentation of the Sample

Gender		
Male	411	55.1%
Female	335	44.9%
Highest level of education		
Elementary school or less	43	5.8%
High school	433	58.0%
College, university, postgraduate	270	36.2%
Economic status <sup>1</sup>		
Below average	146	19.6%
Average	488	65.4%
Above average	112	15.0%

1 In the original question, the respondents were asked about their economic status on a 5-point scale, 1 indicating a lot below average and 5 indicating a lot above average. Since the distribution of such a variable was not normal, we decided to group the answers in three groups: below average, average and above average.

Employment status <sup>2</sup>		
Employed	354	47.5%
Not employed	392	52.5%
Geographical location of living		
Centre	249	33.4%
Suburbs	341	45.7%
Surroundings	156	20.9%
Number of years living in Koper <sup>3</sup>		
Less than 10	115	15.4%
11 and more	631	84.6%

As can be seen in Table 1, the proportion of male respondents (55.1%) was a bit higher than females (44.9%). The majority (58%) of respondents had completed high school education; 36.2% had completed college, university or postgraduate education and 5.8% of them had completed elementary school or less. Almost two thirds (65.4%) of respondents reported their economic status being as average, 19.6% of them reported their economic status being below average and 15% of them reported their economic status as being above average. The majority (52.5%) of respondents were not employed (students, retired or unemployed) while 47.5% of them were employed or self-employed. A total of 45.7% of respondents were living in the suburbs of Koper (Olmo, Šalara, Pris-oje, Semedela, Markovec); 33.4% of them were from the centre of Koper and 20.9% of them were from surroundings. The majority of respondents (84.6%) were born or living in Koper and its surroundings for 11 years or more while 15.4% of them were living in Koper and its surroundings less than 10 years.

The average age of respondents was 41.28 years.

- 2 In the original question, the respondents were asked about their employment status with four different options: employed, unemployed, retired and student. Since almost half of the respondents were employed, we decided to group the answers in two groups: employed and not employed.
- 3 In the original question, the respondents were asked to write the number of years living in Koper. According to the reviewed literature, we decided to group them into two groups: less than 10 years and more than 11 years.



Table 2 Daily Sport Activity of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
I rarely practice sport (sometimes I go for a walk)	180	24.1	24.1	36.9
I occasionally practice sport (1–2 times a week)	268	35.9	35.9	72.8
I regularly practice sport (organized, at least 3 times a week)	166	22.3	22.3	95.0
I practice sport daily and I compete in sport	37	5.0	5.0	100.0
Total	746	100.0	100.0	

A total of 35.9% of respondents stated they practice sport occasionally (one to two times per week), 24.1% of them rarely practice sport (they go for a walk from time to time), 22.3% of them regularly practice sport (organized, at least three times per week), while just 5% of them practice sport daily and also compete in some sport.

### Socio-Cultural Impacts Caused by the Organization of a Major Sporting Event

We have measured the positive and negative socio-cultural impacts caused by the organization of a major sporting event on a 5-point Likert-type scale (“1” indicating total disagreement and “5” total agreement). The following statements are derived and

Table 3 Descriptive Statistics of the Perceived Socio-Cultural Impacts Caused by the Organization of a Major Sporting Event

EuroBasket 2013	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Standard deviation
resulted in more exchange between tourists and residents.	2.1 %	9.7 %	12.6 %	50.9 %	24.7 %	3.86	.967
encouraged the preservation of local culture.	11.8 %	23.0 %	22.6 %	31.3 %	11.4 %	3.08	1.211
created opportunities to learn about other cultures.	3.1 %	10.9 %	17.6 %	44.6 %	23.9 %	3.75	1.033
encouraged the development of local community cultural events.	8.4 %	22.3 %	20.9 %	36.2 %	12.2 %	3.21	1.169
promoted a better understanding of other nationalities.	4.0 %	15.1 %	16.4 %	44.4 %	20.1 %	3.61	1.089
did not cause parking problems.	22.8 %	29.6 %	18.9 %	19.0 %	9.7 %	2.63	1.285



did not increase the crime rate.	2.4 %	14.2 %	8.6 %	38.5 %	36.3 %	3.92	1.109
did not lead to relocation or resettlement of local residents	0.7 %	5.9 %	6.6 %	26.1 %	60.7 %	4.40	.899
did not increase the level of vandalism in the community.	2.3 %	16.2 %	12.9 %	28.6 %	40.1 %	3.88	1.171
did not increase the level of prostitution in the community.	2.3 %	10.6 %	13.1 %	24.5 %	49.5 %	4.08	1.118
did not create traffic congestion during the event.	25.9 %	35.0 %	17.0 %	15.3 %	6.8 %	2.42	1.216

based upon most relevant literature from the field of socio-cultural impacts caused by major sporting event (Ntloko & Swart, 2008; Ohmann, et al., 2006; Kim et al., 2006; Ritchie et al., 2009; Lorde et al., 2011; Martin & Barth, 2013; Prayag et al., 2013;) were used about EuroBasket 2013 in Koper:

The highly ranked statement with ( $M = 4.4$ ) was that EuroBasket 2013 in Koper has not led to the relocation or resettlement of local residents, meaning that on average residents of Koper do not think that the event not led to their relocation or resettlement. In terms of positive cultural benefits, we can indicate the highly ranked statements, such as that stating that EuroBasket 2013 resulted in more exchange between tourists and residents ( $M = 3.86$ ), created opportunities to learn about other cultures ( $M = 3.75$ ) and promoted better understanding of other nationalities ( $M = 3.61$ ). Based on these results, we can conclude that the organization of major sporting events gave the residents more opportunities for socialization with the spectators who attended EuroBasket 2013. The reason for the positive cultural impact might also be the organization of small intercultural country presentation events. Each evening during the tournament, one of the participating countries presented their culture and gave opportunities for local residents' better understanding of other nationalities. The lowest averages ( $M = 2.63$  and  $M = 2.42$ ) can be found for the statements that EuroBasket 2013 in

Koper had not caused parking problems and traffic congestion during the event. Based on that, we can conclude that on average residents saw parking problems and traffic congestion during the event as the biggest short term negative impact caused by EuroBasket 2013. Other negative social impacts felt during the organization of major sporting events, such as increased crime, prostitution and vandalism were ranked low by the respondents, meaning EuroBasket 2013 did not cause more crime, prostitution and vandalism. For the other mentioned statements, neither agreement neither disagreement can be seen for them.

The reliability of all the indicators of the perceived socio-cultural impacts caused by a major sporting event was measured. The Cronbach's Alpha reliability coefficient was 0.659, showing a reliable research instrument.

We decided to reduce the number of indicators of the perceived socio-cultural impacts caused by a major sporting event, using the factor analysis. We have used the principal axis factoring method. When using the factor analysis on 11 indicators of perceived socio-cultural impacts caused by a major sporting event, it was clear that the indicator "EuroBasket 2013 in Koper has not led to relocation or resettlement of local residents" had a very low initial and final communality (in both cases 0.093). With all 11 indicators included in the analysis, we can see there are three

factors with eigenvalues higher than 1, explaining 43.896% of total variance. When checking the factor matrix, it is evident that are low factor loadings (even with oblimin and varimax rotation they are lower than |0.4|) on the indicator “EuroBasket 2013 in Koper has not led to relocation or resettlement of local residents”. We decided to repeat the factor analysis without this indicator. In this case, there are again three factors with eigenvalues higher than 1, explain-

ing together 47.413% of total variance. The first two factors have eigenvalues higher than 2 (i.e. 2,669 and 2,373) while the third one has the eigenvalue of 1.204. The scree diagram also suggests a two-factor solution. The factor matrix (no rotation was used) with the factor loadings are presented in Table 4.

*Table 4* Factor Matrix of the Perceived Socio-Cultural Impacts Caused by a Major Sporting Event

EuroBasket 2013	Factor	
	1	2
resulted in more exchange between tourists and residents.	0.661	0.035
encouraged the preservation of local culture.	0.657	-0.107
created opportunities to learn about other cultures.	0.669	-0.058
encouraged the development of local community cultural events.	0.561	0.013
promoted a better understanding of other nationalities.	0.658	-0.060
did not cause parking problems.	-0.045	0.392
did not increase the crime rate.	0.074	0.737
did not increase the level of vandalism in the community.	0.112	0.763
did not increase the level of prostitution in the community.	0.045	0.566
did not create traffic congestion during the event.	-0.070	0.432

Extraction Method: Principal Axis Factoring.  
a. 2 factors extracted. 8 iterations required.

From Table 4, two factors in our solution can be seen. We have decided to save both factors for further statistical analysis, naming the first one “positive socio-cultural impacts caused by a major sporting event” and the second one “negative socio-cultural impacts caused by a major sporting event”.

The factor of negative socio-cultural impacts caused by a major sporting event has a distribution close to a normal one (skewness being -0.605, kurtosis being -0.233).

#### **The Influence of Socio-Demographical Characteristics, Sports Activity and Length of the Residency of Respondents on Socio-Cultural Impacts Caused by a Major Sporting Event**

In the final part of the paper, we tested our research hypotheses, using the linear regression analysis, and

the ENTER method. We tested two research models, in both of which the independent variables are the respondents’ socio-demographic characteristics (gender, age, educational level, economic status), sports activity, living close to the centre of the sporting event and number of years living in the area. In the first model, the dependent variable was the factor of positive socio-cultural impacts caused by a major sporting event; in the second model, the dependent variable was the factor of negative socio-cultural impacts caused by a major sporting event. The results are presented in the tables below.

First, the determination coefficients and the fit of the regression models was checked.

Table 5 Determination Coefficient and F-test for the Regression Models

	R <sup>2</sup>	F	Sig. (F)
Positive socio-cultural impacts (factor)	0.023	2.522	0.014
Negative socio-cultural impacts (factor)	0.017	1.825	0.080

In the first regression model (in which the dependent variable is the positive socio-cultural impacts caused by a major sporting event), 2.7% of the total variance is explained; 97.3% of the total variance is in the external variables. The overall regression model is statistically significant at the 0.05 level (F statistics is 2.957, level of significance is 0.005).

In the second regression model (in which the dependent variable is the negative socio-cultural impacts caused by a major sporting event), 1.6% of the

total variance is explained; 98.4% of the total variance is in the external variables. The overall regression model is not statistically significant at the 0.05 level (F statistics is 1.722, level of significance is 0.101).

In Tables 6 and 7, the regression coefficients for both regression models are presented.

Table 6 Regression Coefficients for Positive Perceived Socio-Cultural Impacts Caused by a Major Sporting Event

Model B		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
1	(Constant)	-.268	.290		-.925	.355
	Gender	.020	.066	.011	.303	.762
	Age	.007	.002	.130	3.258	.001
	Proximity to the centre of the event	.018	.045	.014	.393	.694
	Years of living in Koper	-.080	.092	-.033	-.864	.388
	Educational level	-.130	.060	-.084	-2.143	.032
	Economic status	.050	.059	.033	.846	.398
	Sport activity	.092	.033	.112	2.815	.005

Dependent Variable: positive socio-cultural impacts (factor)

From Table 6, it is evident that there are three independent variables having a statistically significant influence at the 0.05 level on the dependent variable of positive socio-cultural impacts caused by a major sporting event: the age of respondents ( $p=0.001$ ), educational level ( $p=0.032$ ) and the sports activity of respondents ( $p=0.005$ ). Therefore, we can conclude that those respondents who are older, less educated and more sports active have higher perceptions of the positive socio-cultural impacts caused by a major sporting event. The other independent variables have no statistically significant effect on the 0.05 level

on the positive socio-cultural impacts caused by a major sporting event.

From Table 7, it is evident that there is just one independent variable having a statistically significant influence at the 0.05 level on the dependent variable of positive socio-cultural impacts caused by a major sporting event: the sports activity of respondents ( $p=0.036$ ). Therefore, we can conclude that those respondents who are more sports active have higher perceptions of the negative socio-cultural impacts caused by a major sporting event. The other independent variables have no statistically significant effect

Table 7 Regression Coefficients for Negative Perceived Socio-Cultural Impacts Caused by a Major Sporting Event

	Model B	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
1	(Constant)	.040	.290		.138	.890
	Gender	-.045	.066	-.025	-.683	.495
	Age	-.001	.002	-.019	-.481	.631
	Proximity to the centre of the event	-.010	.045	-.008	-.222	.825
	Length of the residency	-.095	.092	-.039	-1.033	.302
	Educational Level	-.062	.060	-.040	-1.025	.306
	Economic status	.108	.059	.072	1.827	.068
	Sport activity	.069	.033	.084	2.106	.036

a. Dependent Variable: negative socio-cultural impacts (factor)

at the 0.05 level on the positive socio-cultural impacts caused by a major sporting event.

## Discussion

In the final part of the paper we discuss the results of our research.

*Hypothesis 1: The socio-demographic characteristics of local residents influence the perceived socio-cultural impacts caused by the organization of a major sporting event.*

The finding of this study about the socio-demographic characteristic of the residents of Koper on the perceived socio-cultural impact caused by the organization of EuroBasket 2013 confirms the studies of Zhou & Ap (2009) who reported that socio-demographic variables have little or no effect on residents' perceptions. Further analysis of the positive and negative socio-cultural impacts revealed that perceptions of local residents of Koper are not influenced by most of the socio-demographic variables measured (gender, financial status, age, education, sport activity, living close to the centre of event and length of the residency). Based on the results, we can confirm that only age, education and sport activity are statistically significant socio-demographic characteristics of local residents of Koper that influence the perceived positive socio-cultural impact caused by EuroBasket 2013, and that only sport activity influenced those who perceived negative socio-cultural impacts.

The other socio-demographic independent variables had no statistically significant effect at the 0.05 level on the positive and negative socio-cultural impacts caused by a major sporting event EuroBasket 2013.

*Hypothesis 2: The length of the residency of local residents influences the perceived socio-cultural impacts caused by the organization of a major sporting event.*

Adapted from previous studies Lankford (1994) and McCool and Martin (1994), we discovered the length of residency to be a possible influence on residents' impact perception. According to Sheldon and Var (1984), long-term residents were more sensitive to the socio-cultural impacts of tourism than short-term residents were. A study of Ohmann et al. (2006) on the 2006 FIFA World Cup in Munich, Germany, revealed that respondents' perceptions of the positive and negative social impacts appeared to have not been influenced by the respondents' length of the residency. Similar to the results of the study of Ohmann et al. (2006), in our study, the length of the residency as one of socio-demographic characteristic of the respondents had no statistically significant effect at the 0.05 level on either any positive or negative socio-cultural impacts caused by EuroBasket 2013.

*Hypothesis 3: The sport-activity lifestyle of local residents influences the perceived socio-cultural impacts caused by the organization of a major sporting event.*

Increased opportunities for sporting activities in order to newly build or renovate sports infrastructure and more cultural events are social and cultural benefits that local residents feel when a major sporting event is organized (Sadd, 2010). Based on the results of this study, we determined that participation in sports activities both positively and negatively influenced the perceptions of local residents of Koper when EuroBasket 2013 was organized. Older, less-educated and more sport-active respondents perceive the positive socio-cultural impacts caused by a major sporting event while other sports-active respondents are more likely to perceive the negative socio-cultural impacts. Certainly, it can be seen that different generations have different attitudes towards organization of a major sporting event. The reason for this might be in the lack of alternative sport infrastructure in Koper for younger and middle-aged sport active local residents when organizing a major sporting event. During EuroBasket 2013, the main sport facilities used by local residents (Bonifika) for daily sport and recreation activities were occupied due to organization of the event. This is a clear signal for local authorities and organizers to offer alternatives for sport active local residents during the organization of a major sport event, with substitute sport facilities in the town, for residents' daily sport activity. Since major sporting events are single short events that bring benefits in new or renewed sport infrastructure, sport-active local residents needs to find this actions of local authorities as being acceptable since they are the population who benefits on the long term with new and improved sport infrastructure. Strategically sport active residents are those who benefit from the organization of a major sporting event on long period (new sport infrastructure) but local authorities and organizers should also be prepared for short-term solutions and offer such residents alternative sport infrastructure during the period of a major sporting event.

## Conclusion

The majority of research on the social impacts of major sporting events has been done in large, well-developed metropolises (Pranić et al., 2012; Zhou, 2010; Kim & Petrick, 2005; Waitt, 2003; Zhou & Ap, 2009). Our study focused on empirically exploring residents' perceptions of a small coastal town Koper, Slo-

venia, on the socio-cultural impacts caused by EuroBasket 2013, the organization of the biggest sporting event in Europe in 2013. Additionally, the extent to which socio-demographic characteristics of respondents, such as gender, education, economic status and age, length of residence in town, proximity of living to the centre of the event and sport-activity lifestyle, may effect resident's perceptions was investigated.

Just as tourism impacts cannot be universal (Tosun, 2002), the impacts caused of major sporting events upon host communities also vary and cannot be perceived as a generic set of outcomes (Balduck et al., 2011). Therefore, studies on socio-cultural impacts are an important tool to investigate the perceptions of local residents on socio-cultural impacts caused by major sporting events. This can result in the reinforcement of social and cultural identity and in building strong ties within a community (Martin & Barth, 2013).

This study uses an alternative approach, similar to some of the pre- or pre-/post-major sporting event studies of social impacts (Balduck et al., 2011; Lorde et al., 2011; Martin & Barth, 2013) and documents the socio-cultural impacts during and after the event (Ohmann et al., 2006; Pranić et al., 2012). Since EuroBasket 2013 was by far the biggest sporting event in the history of Slovenia, a retrospective study will serve to clarify what has already happened, promote deeper understanding, and offer impact projection for the future studies. The results will play an important role in reporting on the positive and negative socio-cultural impacts caused by major sporting event on the host community. Based on the empirical study, local authorities and organizers of major sporting events should use the results for the development of future sport tourism strategies to maximize positive socio-cultural impacts and minimize negative ones (Small, Edwards, & Sheridan, 2005; Balduck et al., 2011). The results of research on EuroBasket 2013 will also help local authorities to enhance the social leverage of the local community in Koper.

Nowadays, many major sporting events like EuroBasket 2013 need to be empirically researched, especially when they are organized in specific destination with unique characteristics. Researching the multitude of socio-cultural impacts of major sport

events varies depending on the host destination's unique historical, cultural, economic and environmental background, as well as on the nature, scale, place, and duration of the events (Pranić et al., 2012; Barker, 2004; Fredline, 2006). Ohmann et al. (2006) discovered that it is essential to obtain enough available information to identify the trends and patterns of different impacts of events, and manage them before, during and after the event.

The presented study on perceived socio-cultural impacts is important because, first, it covers an under-researched field of study on major sporting events in Slovenia (rarely organized); secondly, the study offers a snapshot of residents' perceptions of perceived socio-cultural impacts. Based on the results, future research should offer the combination of quantitative and qualitative methods, or (as Ohmann et al. (2006)) suggested, a multi-method approach to allow the triangulation of the analysis. Using different data collection methods and the use of triangulation within the data analysis will ensure that the overall level of personal bias will be reduced. Future studies therefore should concentrate not only on socio-cultural but on different tourism impacts (economic, environmental and socio-cultural) caused by major sporting events on specific destinations.

Due to the lack of resources, convenience sampling was used within this study. In order to obtain a reliable sample, future studies of residents' perceptions on the socio-cultural impacts caused by the major sporting events should use a different sampling procedure than that used in our study. We recommend using a random sampling procedure to generalize the obtained results from the sample to the whole population. We also suggest readapting some variables measuring socio-demographic characteristics of respondents. There is an ongoing academic discussion as how to measure the length of residency at the destination. Based on the results, the sport activity of respondents as an independent variable had a statistically significant effect at the 0.05 level on the positive and negative social-cultural impact; therefore, it needs more future research. We suggest including additional variables measuring the sports activity of respondents when organizing major sporting events. We also suggest a comparison of the results of socio-cultural impacts with other impacts caused by a major sporting event.

Since the percentage of the explained variance in our regression model was very low when testing the impacts of the socio-demographic characteristics, the length of the residency and a sport-active lifestyle on the perceived socio-cultural impacts caused by the organization of a major sporting event, we suggest taking other independent variables into analysis. We have determined that the variable that statistically significant influenced the perception of the socio-cultural impacts caused by the organization of a major sporting event was that of the sport-active lifestyle. Our recommendation for future studies would be to include more variables measuring the impacts of the sports activity of residents.

Socio-cultural impacts created by major sporting events are becoming a growing concern of destination tourism development, therefore, strategies need proper research. For organizers and local authorities, it is essential that the impacts of major sporting events be managed effectively and that the benefits are distributed not only to selected stakeholders but all of the host community (Ntloko & Swart, 2008). Engaging the local community in the planning and organization of major sporting events ensures an appropriate legacy of the project and consequently results in a solid foundation in the sustainable development of tourist destinations. The relationship between the major sporting event and local community will therefore determine the nature and scale of the impacts.

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## Neologisms in the Language of Tourism as Indicators of Innovativeness in Tourism

**Tina Orel Frank**

*University of Primorska, Faculty of Tourism Studies – Turistica*  
*tina.orel@fts.upr.si*

This paper is meant to highlight the often neglected connection between language and tourism. Languages reflect realities and, as such, they can be considered one of the strongest tools and an important indicator of human development and hence the development of tourism. In a journal dealing with innovations in tourism, we endeavour to achieve two objectives: firstly, to introduce lexical and terminological neologisms (roughly defined as new expressions) connected with tourism: these language structures obviously indicate paths of tourism development; and secondly, to alert the actors in tourism of new terminology. An era of robust globalization has put focus on researching the English language. The theoretical part of the paper sheds light on definitions of neologisms and the methods of their extraction, as well as touching upon the specifics of the language of tourism, while the practical section offers a selection of neologisms showing current path of tourism development. A semi-automatic method of neologism extraction was used to complete the list from different resources chosen according to the definitions of neologisms and characteristics of the language of tourism. This paper also attempts to highlight currently discussed sub-disciplines of tourism. For this purpose, we have additionally investigated the abstracts of one of the leading tourism journals, *Annals of Tourism Research*, and a journal dealing with innovations in tourism, *Academica Turistica*, *Tourism Innovation Journal*.

**Keywords:** language of tourism, tourism innovations, neologisms

### Introduction

Language is a resource that continually changes; it daily expands on certain fields while narrowing on others (Tulloch et al., 1997). Metcalf (2002) has observed that the English language daily produces more than ten thousand new expressions, though a vast majority of them never exists long enough to become a part of everyday use. Nowadays, changes in our society are extremely rapid to the point of being almost impossible to track. Especially problematic is terminology and with it the neologisms being created in the process of naming newly created concepts and objects for which certain languages do not have an expression or an existing one seems to be inappropriate or insufficient (Stein, 2002 in Moghadam &

Sedighi, 2012). Neologisms, roughly defined as new expressions, are thus considered indicators of the development of society and, consequently, its language (Janssen; Karnedi, 2012). They are “a mirror of their times” (Ayto, 1999: iv). Ayto (1999) adds that by observing the fields in which languages develop most rapidly at a particular time, conclusions can be made about a society’s main preoccupations of that time. For example, in the 1990s, the world dealt with politics, media and the Internet. In the third edition of *Cambridge Advanced Learner’s Dictionary* (2008), the fields producing new words and expressions of that time were environmental issues, the Internet, technology, food and drinks, diet and health as well as business and marketing. Neologisms thus indicate

the development of certain fields, but this very fact also makes them seriously challenging for analysis and translation (Janssen; Newmark, 1988; Čeh, 2012). They are easily overlooked, time-sensitive and often without any direct translational equivalents. Their vague, elusive and objective definitions depend on the subjective judgment of each individual researcher. The development of technology that enabled easier corpus analyses has made their extraction and lexical changes tracking somewhat less demanding.

In general, we can speak about two main objectives of neologism research (Janssen, unpublished): firstly, for updating of existing dictionaries and lexicons with newly coined expressions, and secondly, for describing neologisms and placing them according to their word classes, statistics of word formation, word origins, etc. Our paper falls more into the second category, but most likely adds a new dimension to the issue by supporting the primary aim of informing the principal audience about a problematic issue. In our case, we intend to inform tourism experts because they are considered one of the crucial stakeholders in tourism language creation (Karnedi, 2012: 4).

In short, this paper aims to introduce lexical and terminological neologisms connected with tourism, as indicators of tourism development and thus alert experts connected to the field of tourism of about such language issues, especially terminology. To achieve the two objectives, the introductory theoretical part of the paper presents and offers a definition of lexical and terminological neologisms, which are (in the second, practical part) searched for on the Internet and in two tourism journals. By researching the latter, we were additionally able to pinpoint the latest directions of tourism development. The publication of the research in this specific journal was intended to address experts dealing with tourism rather than merely addressing language experts already aware of the field of language use and development.

### Neologisms

Fischer (1998) and Rey (1995) point out that the linguistic theory of the English language does not offer a strictly determined definition of a neologism. Nevertheless, most authors agree on a basic definition that describes neologisms as newly coined words or expressions or as already existing ones that have

gained a different meaning (Algeo, 1991, p. 2; Newmark, 1988). Almost every author adds to it by joining it with what Cabre (1999) describes as a subjective psychological position of a researcher. Algeo (1991) adds to this by stating that neologisms are also recently acquired words or word combinations that existing language sources do not yet enlist. Fischer (1998) remarks that neologisms can only be called as such when a word loses the status of being a “nonce-word”, which David Crystal (2000) defines as a new complex word that is spontaneously coined by a speaker to fill the void at a given moment of communication. Voršič (2010) researched nonce words in Slovene advertisements and classified them into system and non-system nonce words. The former are generated according to traditional word-building processes while the latter are made via the use of unusual and atypical ones.

The component of time must not be neglected. Most of the speakers of an individual language community should detect neologisms as being new (Herberg, 1988 in Csak, 2011; Rey, 1995; Fischer, 1998). The problematic part here is that authors do not name any objective criterion for what could be defined as new or old; therefore, this is left to the subjective judgement of the researcher. At this point, one is undoubtedly also confused by the fact that there exists no well-defined and stable language vocabulary that could serve as orientation in deciding whether a word is new or not (Janssen, unpublished). As such a source, Algeo (1991, p. 2) nevertheless offers general language dictionaries that in their core definition do not touch upon the specific terminology also needed in our type of research. Malinski (in Csak, 2011) speaks of neologisms only when they appear three times in a base corpus and in at least two different sources, and when they are not citations of one another. In other cases, he speaks of “occasionalisms”, which are expressions that only appear tied to particular occasions or special events, like *obamacare* (a label given to the *Patient Protection and Affordable Care Act* in the United States). Vesna Muhvič-Dišmanovski (2005, p. 6) treats occasionalisms as stylistic neologisms that are created as a result of a particular style of an individual author. She claims they are much rarer than denominative neologisms, which are a part of wider language community.



The basis of this paper is a definition of lexical and terminological neologisms for the field of tourism; they shall be approximately defined as newly coined words or word combinations from the field of tourism and its subareas that are not yet listed in the latest (i.e. fourth) edition of the *Cambridge Dictionary* (2013) or in *A Dictionary of Travel and Tourism* (2012). The former was chosen as one of the dictionaries with the most recent edition published, while the latter was chosen as the only specialized contemporary dictionary for the language of tourism found.

### Language of Tourism

For the purposes of this paper, Cabre's (1999) distinction is essential. She separates general or lexical neologisms (present in general language) from those appearing in particular languages, terminological neologisms, also called "neonyms". Lexical neologisms, therefore, arise in general language, but this paper also attempts to touch upon terminological neologisms, appearing in one of the specific uses of language, namely in tourism. This field attracted our attention because it is notably intriguing, especially because it is "two-sided", meaning the language of tourism derives from two sides or directions – from the side of tourism experts and from the side of general public. Therefore, it is on one side specific (created by tourism experts), yet on the other spread among the general users who are also adding a considerable share to the vocabulary.

As is commonly known, tourism is one of the fastest growing and spreading sectors in the world and in recent times has also become a key element in social and economic development. Recently, the most commonly mentioned areas within tourism have been the flourishing of eco-tourism, sustainable tourism and responsible tourism, which reflect the current preoccupations of our society. In this flood of new types of tourism, offers and services, tourism experts often mention the sensitive area of dealing with new expressions. This is especially problematic when "transferring" one innovation and its newly coined expression from one language to another, since globalization has forced the English language to gain most new language creations, which are too frequently imposed on the individual development of less widely used world languages. Tourism experts are often left with no suitable language source

that could provide translational equivalents or suggest the use of expressions to lean on when introducing an innovation. Therefore, their subjective decisions lead to chaos with inconsistent use of new language. Our paper does not offer to solve the problem of translating or transferring numerous newly coined expressions to any language, but it stands as an important reminder that a plethora of new tourism innovations deliver a plethora of new expressions that are a delicate issue too often left neglected.

The language of tourism is one of the many specific fields of language that is considered multidisciplinary. If we apply the model of Hoffmann (1984) and Braun (1993) (similarly to what was also done by Csak (2011) for the field of economy) to the language of tourism, three vertical levels of tourism language use are obtained:

- The theoretical language of tourism is placed at the level of theoretical sciences, where typical genres include special books, monographs, scientific papers, etc. Mikolič (2013, p. 259) separated tourism terms into general tourism terms and terms from tourism sub-disciplines. This type of communication tends to have the highest level of abstraction as it is used as a medium between two experts;
- Terms from other fields of science but connected to tourism. The degree of abstraction remains high as the level of using terminology;
- Everyday language of tourism that descends to the level of an average non-specialist user. Its intention is to communicate information from one user to another via emails, blogs, and everyday conversations about travelling, etc. The degree of abstraction is the lowest as this is general, everyday language.

Neologisms are rarely dealt with according to individual disciplines or fields of study. Most commonly, they are researched within the field of computer sciences rich in constantly evolving technology, for example Moghdam & Sedighi (2012). Čeh (2012) touched upon the area in one of her studies, but she offers a limited selection of neologisms, from which the need arose to investigate the issue more thoroughly and systematically. The language of tourism evolves practically on a daily basis with the emergence of expressions coined by both professionals



and experts as well as general users. Globalization trends make the English language the most active in this field. Even though there are remarks supporting experts' detection of numerous neologisms in tourism, they have not been studied in detail.

### Methods

Traditional techniques of new expression excerption involved people, usually lexicographers, studying texts with the intention of finding newly coined words. The current ability to collect and study large numbers of texts at a time, enabled by information technology, allows a more objective and automatic approach to selection. Manual techniques of excerption have become uneconomical (Paryzek, 2008, p. 163) as it is practically impossible to study vast amounts of texts using this method (Barnhart, 1985) and the current pace of text creation has never been faster. Therefore, a need for automation arose in the process of excerption. Thus far, the fields that have mostly benefitted from automation are those of tracking collocations and spelling changes. Experts use highly sophisticated mathematical tools to produce vast lists of collocations that, as Paryzek (2008, p. 163) states, should later be examined by lexicographers; however, this is rarely the case. In this context, neologisms are especially problematic because they are individual lexical units and because their appearance and location are mostly unpredictable: thus most of the mathematical techniques used in the past failed (Paryzek, 2008, p. 164). The first success was by Chlebda (1991), whom Paryzek (2008) cites in his research, when he developed a process of semi-automatic retrieval method, based on linguistic rather than statistical facts. The method assumes that new expressions most frequently appear within quotation marks or following language-specific phrases: *so(-) called, called, termed, known as, defined as*.

Since we are not dealing with general language, and because this paper intends to present a list of neologisms from the language of tourism, suitable language sources had to be chosen. Because of the sociolinguistic specifics of the field of tourism and its vertical levels, the sources were divided into two clusters: expert (providing us with terminological neologisms) and general ones (providing lexical neologisms). To make the research manageable, we narrowed the selection in the cluster of expert sources

to two scientific journals: a) *Annals of Tourism Research* (ATR), the leading scientific journal with the highest impact factor in the field of tourism; and b) *Academica Turistica: Tourism and Innovation Journal* (AC-TIJ), a journal dealing directly with tourism innovations, thus expected to offer a long list of new expressions. Within the cluster of general sources, we selected a) electronic sources: *Google, Urban Dictionary, Word Spy* and various so-called travel blogs (e.g. *Nomadic Matt, A Luxury Travel Blog, The Barefoot Nomad*, etc.); b) general language corpora (*Corpus.byu.edu* and *American National Corpus*).

In large amounts of texts, certain criteria have to be set in order to conduct an organized search. According to our neologism definition, the research searched for newly coined expressions appearing within quotation marks or/and following the phrases *so(-)called, called, termed, known as, defined as*. A large set of results required excluding those with at least one capital letter, proper names and abbreviations. Furthermore, all those connected with tourism or any of its sub-disciplines were selected and grouped accordingly. Afterwards, the selection of expressions were checked in order to determine whether they appear in any of the above-listed dictionaries (the fourth edition of *Cambridge Dictionary* (2013) and *A Dictionary of Travel and Tourism* (2012)).

The research was expected to produce a large set of new expressions as tourism is considered to be a rather interdisciplinary field of study as well as a rather interesting one from the sociolinguistic perspective, since it is created by experts as well as by the general public. We assumed that we could expect more new coinages from the side of the general public, i.e. more lexical neologisms, whereas the professional language of tourism would produce with a longer set of new terminological word combinations. Sayedi (2011) claims this to be typical of social sciences. Nevertheless, the generated list of both types of neologisms will have a significant contribution to understanding the new paths tourism has been taking in recent years. In addition to tourism, the field of language studies will also benefit from it as it will deepen the delicate field of neologism studies, because most previous research dealt with neologisms appearing in general language rather than dealing with a specialized field of study. At the rapid pace of world development and social changes, these kinds

of studies can offer a deepened insight into a certain field of study “only” by observing the language and expressions it uses.

### Research

The analysed set of sources was a rather large one. It was, therefore, impossible to include and assess all the results in the scope of one article. Therefore, only those expressions that were subjectively selected as intriguing and furthermore considered to be indicators of what innovative in tourism will be mentioned. In future research, we plan to widen the scope and create a glossary of tourism neologisms with the help of tourism experts.

The research first examined the two aforementioned tourism journals. In the *Annals of Tourism Research* (ATR) we took into consideration the articles published in the four issues in the year 2013 (40 articles and 48 other types of publications). In *Accademia Turistica: Tourism and Innovation Journal* (AC-TIJ), seven articles of the last published issue in 2012 were fully available online. When attempting to research the texts published in scientific publications in tourism with the “semi-automatic” method, it was proven the method was inefficient with this type of publications, and the results were minimal in number. Therefore, the publications were also researched without the help of computers, which was still manageable considering the fact the amount of words used in this part of the research. The objective was to determine the general fields that tourism had been involved with in the previous two years. It was discovered that the most discussed issues in tourism are culture and cultural tourism (6 publications on the subject in ATR), heritage (8 publications in ATR and 2 in AC-TIJ), authenticity (8 publications in ATR), nature and animals (7 publications in ATR) and volunteer tourism (3 publications in ATR). The phrase *responsible tourism* was often used (3 publications in ATR). AC-TIJ mostly discussed the topic of the financial crises. Despite not being directly connected with neologisms, it was observed that what was sufficiently interesting was the fact both journals listed numerous types of tourism. It indicates that tourism has a tendency to diversify itself into many types. There were articles mentioning *urban tourism*, *film tourism*, *creative tourism*, *geotourism*, *dark tourism*, *family tourism*, *voluntourism* (volunteer + tourism),

etc. Dictionaries fail to include most of the types of tourism in their lists.

In the scope of general sources, the hits on the most widely used internet search tool, *Google*, were researched. Here we expected a long list of neologisms, assuming people are generally also very active on the Internet on the broad topic of tourism. The process of extracting neologisms was done by using the application for advanced search, which allowed us to limit the search according to language, time of publication and place of appearance. We gathered the expressions in the English language, using the semi-automatic method, which presumes that neologisms follow the phrases *so(-)called*, *called*, *termed*, *known as*, *defined as*, published in the past three years. Two online “dictionaries” (*Urban Dictionary*, *Word Spy*) were taken under consideration but here the new expressions were gathered “manually”. The “semi-automatic” method was also used in certain tourism blogs.

The selection of neologisms was vast. There were many expressions derived from the word “vacation”. Speakers defined their vacation as their *mancation* (taking vacation only in group of other men), *grey-cation* (taking vacation together with older generations of your family), *haycation* (taking vacation on a farm), *playcation* (vacation where your only intention is to play or have fun without considering any history, heritage, etc.), *daycation* (a vacation for one day), *fake-ation* (where most of your vacation time is spent working), *staycation* (staying + vacation: staying at home for vacation, mostly used in times of financial crises when people cannot afford longer vacations away from home) A term *to sofalize* was also used for staying at home and communicating only electronically.

Furthermore, the general language appearing on the internet showed the occurrence of many types of tourism, such as *libel tourism* (connected with law suits), *medical tourism* (visiting a destination in order to receive some kind of medical treatment), *fertility tourism* (coming to receive medical treatment for their infertility problems), *stem-cell tourism* (going to destinations where clinics offer stem-cell treatments), *disaster tourism* (visiting sites offering any type of remains after a certain disaster), *tattoo tourism* (travelling to get their tattoo from the best tattoo masters), *space tourism* (extreme type of tourism of-

fering a trip to space), *hahal holidays* (destinations offering alcohol-free restaurants and bars, single-sex spas, etc.), *babymoon* (the last holidays before a couple has a child). According to these results, it almost seems that every reason for travelling defines a type of tourism nowadays.

Blends using the word “bikini” seem to be very popular: *facekini* (face + bikini), *fatkini* (fat + bikini), *tankini* (tank top + bikini), *burkini* (burka + bikini). Much is written about *tourist photography* (non-professional photography of tourists on their travels) and about *photobombing* (deliberately appearing in someone else’s photo). Also popular are *selfies* (photos taken by oneself of oneself), that developed into *footsies* (a photo of one’s foot) and *legsies* (a photo of one’s legs). Food has also become an important part in travelling. People mention *street food* (dishes offered directly in streets), *fusion cuisine* (dishes that mix several cuisines) and like to try *cakepops* (small round pastries on a stick).

Some other new expressions were also: *boatel* (a hotel on a boat), *glamping* (a glamorous camping), *glampsite* (a glamorous campsite), *flashpacking* (travelling around the world with only a few items of clothing but with the most modern equipment to enable tweets and other internet communication), *human safari* (travelling to observe people, usually tribes), *tourista* (traveller’s diarrhoea),

## Discussion

Despite the fact that all the expressions indicating innovations in tourism could not possibly fit inside the limited space a journal offers for publishing, we managed to present the selection of those clearly stating the directions of tourism development. At this point, it should again be emphasized that this kind of research proves that language is an indicator of development. Nevertheless, as much it is useful and intriguing to investigate its changes and directions in certain fields of study, one must be aware that it still is a field needing particular attention. Especially nowadays, in times of rapid globalization, English is often becoming the only language of communication among researchers, scientists and professionals, thus neglecting the development of terminology of other languages. At this point, we would like to call the attention to the fact that languages are under the vast influence of the invasive English language, and

that its users must become aware of proper knowledge transfer, which entails not only correctly understanding and using the expressions coined in the English language, but most importantly taking care to properly transfer them into other languages. Most often one has to decide whether and how to translate terms into their language or to use an English version where the term could be used in its original or obtain a change in its spelling or pronunciation. The list of options here is long and no written guidelines or rules apply that one could depend on; therefore, languages with fewer speakers often receive numerous expressions, which frequently results in long lists of problematic coinages with no clearly defined usage. Letting the professionals, researchers or broadly defined creators of tourism field of study know about this issue was also one of the main objectives of this paper.

This paper has attempted to indicate that a field of study as interesting as the rapidly developing language of tourism needs greater attention in the future. Dealing with an issue so intriguing should result in deciding whose “responsibility” new expressions ought to be, since there is a great need for systematic extraction and organization in the flood of new coinages. This would offer tourism experts who need guidance in dealing with neologisms some support. To conclude, most definitely it can be agreed upon the fact that tourism experts have to communicate and cooperate with linguists on this delicate matter and vice versa, because one cannot handle the issue of neologisms in tourism without the help of the other.

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## Synergy of Culture and Tourism: Cultural Events as a Part of Cultural Tourism in Less-favoured Rural Regions. Case study: Vojvodina Province (Serbia)

**Tatjana Pivac**

*Department of Geography, Tourism and Hotel Management, Novi Sad  
tatjana\_pivac@yahoo.com*

**Ivana Blešić**

*Department of Geography, Tourism and Hotel Management, Novi Sad  
ivana.blesic@gmail.com*

**Igor Stamenković**

*Department of Geography, Tourism and Hotel Management, Novi Sad  
igorrogi@yahoo.com*

**Snežana Besermenji**

*Department of Geography, Tourism and Hotel Management, Novi Sad  
atena21000@yahoo.com*

**Jasmina Đorđević**

*Department of Geography, Tourism and Hotel Management, Novi Sad  
jasminadjordjevic@live.com*

**Miha Lesjak**

*University of Primorska, Faculty of Tourism Studies – Turistica  
miha.lesjak@fts.upr.si*

Festivals are considered to contribute significantly to cultural and economic development. The Vojvodina province is a multi-ethnic area with traditional folklore and a variety of cuisines, from which numerous and various events of economic and entertainment content have emerged. The main subject of this paper is an assessment of how event tourism can affect rural development. How much does a rural event affect host communities? Can a small-scale event that takes place to a rural environment play a significant role to the socio-economic development of the region? The authors of this research have highlighted the 10 most significant cultural events. The research objective is to determine the attitudes of the local population with regard to the organization, realization and economic importance of cultural events.

**Keywords:** synergy, cultural events, local population, attitudes, rural region, Vojvodina province.

### Introduction

Research of the local population's attitudes was conducted on the territory of the province of Vojvodina,

which is located in the south of the Pannonian plain and the northeast of the territory of the Republic of Serbia. It is bordered by Hungary on the north, on



the east by Romania, by the Sava and Danube Rivers on the south and on the west by Croatia. The area of Vojvodina covers 21,000 km<sup>2</sup>, accounting for 21.97% of the territory of the Republic of Serbia (Tomić et al., 2002). The population of Vojvodina is 1,931,809 (2011), and there are 451 settlements (Statistical Office of the Republic of Serbia, 2012).

There are 24 nationalities inhabiting the area among, the most numerous of which are Serbs, Hungarians, Croats, Montenegrins, Ruthenians, Ukrainians, Poles, Germans, Albanians, Turkish, Czechs, and Slovaks; this makes the entire region a multiethnic one (Tomić et al., 2002).

Ten different events with long traditions from the Vojvodina province have been included in the research: Bodrog fest (Bački Monoštor), Guitar open festival (Subotica), Jazztronic-International jazz & blues festival (Vršac), Sombor theatre marathon, Dužijanica - harvest festival (Subotica), Beer fest (Zrenjanin), Karlovačka berba grožđa-grape picking festivities (Sremski Karlovci), Dani ludaje-Days of pumpkins (Kikinda), Baconfest (Kačarevo), Festival of music associations of Vojvodina (Ruma). All these events represent the culture, tradition, folklore and gastronomy of the nations that inhabit this region. Moreover, all the events take place in small settlements.

According to Getz, events are seen as an important motivator of tourism and a critical factor in the development and marketing plans of many tourism destinations (Getz, 2008). They also have the potential to generate a vast amount of tourism when they cater to visitors from other income-generating zones plus the potential for grants, or sponsorships (Getz, 1997), either directly or indirectly. The events, in turn, are seen as an important tool for attracting visitors and building the touristic image within different communities. This paper reports on research related to festivals' contribution in the development of cultural tourism. Festivals attract culture tourists to local community events in order to promote enriching exchanges between tourists and residents. This study will focus on the residents of the Vojvodina province and measure their perceptions of festivals. The reason for studying residents but not other stakeholders (e.g. businesses, politicians, pressure groups) in this study is rooted in the fact that residents are widely considered to play a vital role in overall tourism de-

velopment in the area and, in particular, in the acceptance or rejection of an event based on their perceptions and attitudes towards it.

### Literature Review

Tourism has a multidimensional effect on the host destination: it improves the local economy (Gursoy & Rutherford, 2004), standard of living (Milman & Pizam, 1988) and creates investment opportunities (Dyer et al., 2007). Moreover, tourism produces social benefits for the region (i.e. development of small and medium enterprises, creation of new jobs, improvement of infrastructure, etc.). Tourism is an economic sector that is able to offer a significant contribution to the economic growth of a region and to the labour market, and produces employment directly and indirectly through the supply of goods and the necessary services for tourist activities (Pivac et al., 2011; Blešić et al., 2013). Regarding culture, cultural tourism is considered to be an element of community enrichment, due to the meeting of different cultures (Skoultos & Tsartas, 2009) and recently has become recognized as one of the most important forms of tourist traffic in the world, particularly in Europe, including both heritage tourism and arts tourism. The forecast of UNWTO is that by 2020 cultural tourism will become one of tourism's chief forms of focus (e.g. Boyd, 2002; Frangialli, 2002; Light & Prentice, 1994). The definition of cultural tourism, therefore, covers not only the consumption of a cultural past, i.e. a historical product, but also aspects that include the contemporary, cultural ways of life of the people and/or region (Richards, 2001, p.7). Cultural events, social environment, regional specifics, the image of the region, environmental quality and cultural landscape can create, via their broader reflection, the opportunity for and one of the factors and premises of further development of the territory. The presence of these amenities can be a deciding factor regarding where people want to live and spend their leisure time and where they establish their entrepreneurial activities (Rumpel et al., 2008).

Cultural heritage, cultural and creative industries, sustainable cultural tourism, and cultural infrastructure can serve as strategic tools for revenue generation, particularly in developing countries, given their often-rich cultural heritage and substantial labour force. Today, many cities use cultural heritage

and cultural events and institutions to improve their image, stimulate urban development, and attract visitors as well as investments (UNESCO, 2012).

One of the fastest growing forms of visitor and community activity is the festival (Getz, 1997). Festivals typically create tourism service at a specific time and place and are unique, since they are often organized without explicit tourism-related goals but are used as image makers and attractions of the region (Andersson & Getz, 2009). In the current economic climate, festivals play an important role for towns, cities and whole regions. They have significant impacts on the development of cultural tourism to the host communities (Raj & Vignali, 2010). In less-developed countries afflicted by debilitating rural poverty, tourism is perceived to be one of the few feasible options for development. The hosting of events is often developed because of the tourism and economic opportunities additional to social and cultural benefits. In a study conducted by Clarke & Jepson (2011), the importance of opening up the issue in the management of festivals and events was explored. Properly managed festivals can be used by the organizers to express the relationship between identity and place and play a crucial role in raising civic consciousness. They are also an important expression of human activity and contribute significantly to the social and cultural life of their host communities (Raj & Vignali, 2010). Local festivals are increasingly being used as instruments for promoting tourism and boosting the regional economy (Felsenstein & Fleischer, 2003). Getz (1993) and Formica & Uysal (1998) showed that the economic gains from festivals can be substantial because festivals provide enjoyable activities and spending venues for both local people and tourists. To date, a significant amount research has been done on assessing the economic impact of festivals and events (Crompton, Lee, & Shuster, 2001; Dwyer, Mellor, Mistilis, & Mules, 2000; Tyrrell & Johnston, 2001; Jackson, Houghton, Russell & Triandos, 2005; Chhabra, Sills, & Cabbage, 2003; Brennan-Horley, Connell, & Gibson, 2007). Since 2010, researchers in Serbia have been investigating the problem of visitor satisfaction and motivation (Stamenkovic et al., 2011; Pivac et al., 2011; Gagić et al., 2013; Blešić et al., 2013; Stamenkovic et al., 2013; Blešić et al., 2014). The abovementioned works engaged in researching the largest and the most popular events

in Serbia: the EXIT festival and the Brass Band Music Festival in Guča. These festivals, which initially were of local interest, grew into internationally famous festivals, of which the local community benefits greatly. The main subject of this paper is the assessment of how cultural event tourism can affect rural development in seven municipalities in the Vojvodina province.

### **The Implications of the Research on Rural Development and Local Community**

Based on the available literature (Roche, 1994; Bramwell, 1997; Hiller, 1998; Ritchie, 2000; Getz, 2001; Delamere, 2001; Pivac et al., 2011), research, as well personal observations and experiences, the authors deduced that the development of festival tourism can have an impact on, and benefit a destination in a) positive and b) negative way, but also a) directly and b) indirectly. Impacts are classified as follows:

- Social impact: celebration and relaxation for everyone involved, cross-cultural studies (Small et al., 2005; Small, 2007); social issues revealed during a festival, e.g. improved or inadequate communication between the stakeholders of the private and public sectors; reactions stemming from contacts and communication between tourists and local residents; improved demographics; closer involvement of young and middle-aged persons in festival organization;
- Cultural impacts: in addition to the impact that different cultures have on the local community, there is also impact on the cultural and architectural heritage; increased media reporting on the destination and other cultural contents, etc.;
- Psychological impacts: improved image, motives for visiting the festivals, needs satisfaction, etc.;
- Economic impact: direct or indirect economic impacts can be divided into two sub-groups: a) impact stemming from tourism and hospitality industry, and b) impact stemming from service industry; increase in the competitiveness of other events; creation of an appropriate destination with more money and more investments; increase in tourist traffic; increase in the number of commercial events; engagement of the local com-

- munity; increased benefits; and technical support used in the preparation phase of the event, etc.;
- Ecological impact, i.e. physical (including the sub-group pertaining to the impact on the physical infrastructure). Physical infrastructure is often cited as a key benefit of large events, including transport infrastructure, stadiums, sports halls, sporting fields, other residential buildings, hotels, improved scenery, launch of new ecological and green festivals (environmentally-friendly) and the creation of sustainable codes and criteria;
- Political impact: can also be regarded as a sub-group of social impacts, since it is crucial in reconciling opponents and those who do not communicate between themselves; debunking and demystifying prejudices and stereotypes, with a special sub-group of impacts regarding the safety and achievement of political goals;
- Legal and administrative impact: observance of copyrights and intellectual property rights, trademarks, names and designs; or encouragement to adopt special clauses pertaining to environmental protection, employment, consumer protection, health and safety of visitors, impact on the exchange rate and income tax, incorporations or charitable statuses; increased engagement of women in decision-making processes, etc.;
- Programme and managerial impacts: increasing the transparency; presenting works of art and other products; education through festivals, e.g. lifelong learning and distance learning; honing necessary skills; establishing the sector for organizational management; destination management; hospitality management, etc.;
- Technological impact: increase in the use of the Internet; improved computer literacy; increased role of media broadcasts from the scene and after the event; technologically and technically savvy consumers; increased number of automated services available 24/7/365; complete system integration, electronic surveillance of visitors through names of buyers and tickets scanned at the entrance; various applications that improve exchange of experiences, etc.;
- Urban revival of the destination and the region: events and festivals are associated with urban revivals since they affect the image of the destination and heritage.

### Methodology

The questionnaire used in this research was based on the Delamere scale (Delamere et al., 2001) and the scale used in the research that the authors carried out on the 50<sup>th</sup> anniversary of Brass Band Music Festival in Guca (Republic of Serbia) in August 2010 (Pivac et al., 2011). Eight attributes for measuring social benefits of a community festival were taken from the model used by Delamere et al. (2001), while seven attributes pertaining to the location, contents and quality of the programme and ancillary services were taken from the research conducted by Pivac et al. (2011). The questionnaire included six new questions pertaining to the organization and promotion of the festival. The questionnaire used in this research consists of two parts; the first part included respondent demographic information, while the second part consisted of 21 questions that refer to the attitudes of the local population towards events in the Vojvodina province. Attributes were measured a five-point Likert type scale ranging from 1 (least important) to 5 (most important) in the Importance part, and from 1 (strongly disagree) to 5 (strongly agree) in the Performance part. The questioning was conducted in seven municipalities in Vojvodina (Novi Sad, Sombor, Subotica, Zrenjanin, Kikinda, Vršac, Ruma) between April and November 2012. Seven interviewers took part in the interviews (three co-authors of this paper and four master's students).

Before the research in the field, there were two meetings and the researchers familiarized themselves with the methodology and rules of communication with respondents. The researchers were advised to indicate to respondents that the survey is anonymous and to seek approval for the survey. In total, 500 questionnaires were distributed, and 278 (55.6%) usable questionnaires were obtained. Researchers in the field each conducted research in one of the selected municipalities, each distributing 70 questionnaires on average.

## Results

### Characteristics of Respondents

The sample included 127 (45.7%) males and 151 (54.3%) females among the respondents. The primary age group was 31–40 and represented 26.3% of the total group of respondents. The next biggest group was 41–50, and represented 22.3% of the respondents. Most of the respondents (44.2%) had completed secondary education. Regarding their occupation, the majority of respondents are employed (75.2%). The sample is dominated by the respondents from Novi Sad (23.7%) and Sombor (16.9%). The majority of respondents are of Serbian ethnicity (75.2%), followed by respondents of Croatian ethnicity (13.3%).

*Table 1* Demographic information of respondents  
(n = 278)

Variables	Sample size	Percentage
Age		
≤ 20	58	20.9
21–30	36	12.9
31–40	73	26.3
41–50	62	22.3
51–60	39	14.0
61 ≥	10	3.6
Gender		
Male	127	45.7
Female	151	54.3
Education		
primary education	15	5.4
secondary education	123	44.2
bachelor's degree	24	8.6
master's degree	10	3.6
Occupation		
pupil/student	62	22.3
employed	209	75.2
retired	2	0.7

Variables	Sample size	Percentage
unemployed	5	1.8
Place of residence		
Novi Sad	66	23.7
Sombor	47	16.9
Subotica	36	12.9
Zrenjanin	37	13.3
Vršac	38	13.7
Kikinda	32	11.5
Ruma	22	7.9
Nationality		
Serbian	210	75.5
Croatian	37	13.3
Hungarian	12	4.3
Romanian	2	0.7
Roma	12	4.3
Montenegrin	4	1.4
Slovak	1	0.4

### Factor Analysis

The data were factor analysed using the principal component method and varimax rotation procedure in order to extract the sub-dimensions of those attributes. In this study, all factors with eigenvalues greater than 1 and with factor loadings greater than 0.5 were retained. The results of the factor analysis, which suggested a five-factor solution, included 21 attributes and explained 66.45% of the variance. The Kaiser-Meyer-Olkin (KMO) overall measure of sampling adequacy was 0.817 (Kaiser, 1974) and Bartlett's test of sphericity was significant ( $p = 0.000$ ). Values of the Cronbach alpha coefficient for the first, second and fifth factors are in the domain of high reliability while the values of the Cronbach alpha coefficient for the third and fourth factors in the domain of acceptable reliability (Lehman et al., 2005). This demonstrates that the scales of the formal questionnaire have considerable reliability (Nunnally, 1978). Table 2 shows the results of the factor analysis.

Table 2 Results of Factor Analysis

Extra- cted factors	Items	Factor loading	Eigenvalue	Variance explained	Cronba- ch's $\alpha$
F1	Event should be held on a suitable location with secured parking space.	0.775	8.574	22.325	0.886
	Events contribute to the feeling of belonging.	0.676			
	Events make the number of tourists grow.	0.759			
	Events enable exchange of ideas among ethnic groups in the community.	0.723			
	Events positively influence cooperation between people.	0.752			
	Events enable local community to make extra income.	0.570			
	Events have a positive cultural and economic influence.	0.630			
	Events help improve the quality of life in the area.	0.549			
F2	Event should be organized by professional societies.	0.562	2.641	11.497	0.756
	Event should also have accompanying programs (education, competitions, workshops).	0.564			
	Event should be organized by local authority (place of the organization of event).	0.536			
	Event should be organized by stakeholders who are interested in profit making.	0.796			
F3	Events should be entertaining.	0.668	1.634	11.167	0.649
	Performance of famous musicians/singers is necessary.	0.754			
	Events have versatile programme.	0.514			
F4	Brochures promoting the exhibitors should be handed out at the event.	0.746	1.415	10.762	0.670
	Event should be promoted in neighbouring countries.	0.624			
	Events have huge significance for promoting the local community.	0.746			
F5	Safety of visitors during the event is on a high level.	0.570	1.018	10.697	0.803
	Prices of product and services are affordable (food, beverages, souvenirs).	0.930			
	Quality of products and services is exceptional (food, beverages, souvenirs).	0.926			

The first factor was labelled “Social-economic impact”. This factor explained 22.325% of the total variance with a reliability coefficient of 0.886. The second

factor was “Organization” and explained 11.497% of the total variance with a reliability coefficient of 0.756. The third factor was “Entertainment” and ex-

plained 11.167% of the variance with a reliability coefficient of 0.649. The fourth factor, labelled “Promotion”, accounted for 10.762% of the variance with a reliability coefficient of 0.670. The fifth, “Services” explained 10.697% of the total variance, indicating a reliability coefficient of 0.803.

*Table 3* Mean Ratings of Factors and Items

Selected factors and items	Mean	Std. Dev.
F1 - Social-economic impact	4.3305	0.72225
Events should be held on a suitable location with secured parking space.	4.1547	1.05164
Events contribute to the feeling of belonging.	4.3094	0.91792
Events make the number of tourists grow.	4.4317	0.90765
Events enable exchange of ideas among ethnic groups in the community.	4.5108	0.84432
Events positively influence cooperation between people.	4.4353	0.84617
Events enable local community to make extra income.	4.1799	0.92889
Events have a positive cultural and economic influence.	4.5000	0.97162
Events help improve the quality of life in the area.	4.1223	0.97965
F2 – Organization	4.1322	0.83055
Event should be organized by professional societies.	4.0180	1.08968
Event should also have accompanying programs (education, competitions, workshops).	4.2698	0.98503
Event should be organized by local authority (place of the organization of event).	4.1511	1.17688
Event should be organized by stakeholders who are interested in profit making.	4.0899	1.11237
F3 – Entertainment	3.8573	0.90239
Events should be entertaining.	4.3022	1.17529

Selected factors and items	Mean	Std. Dev.
Performance of famous musicians/singers is necessary.	3.3165	1.34640
Events have versatile programmes.	3.9532	0.98067
F4 – Promotion	3.5947	0.92543
Brochures promoting the exhibitors should be handed out at the Event.	3.9281	1.05543
Event should be promoted in neighbouring countries.	3.7374	1.29402
Events have huge significance for promoting the local community.	3.1187	1.21525
F5 - Services	3.6055	0.94401
Safety of visitors during the event is on a high level.	3.7050	1.13972
Prices of product and services are affordable (food, beverages, souvenirs).	3.4460	1.13158
Quality of products and services is exceptional (food, beverages, souvenirs).	3.6655	1.07127

From the results shown in Table 3, we can conclude that the respondents find the “Social-economic impact” factor to be the most important one, especially emphasizing the importance of exchanges of ideas between ethnic groups within the community, i.e. positive cultural and economic impacts of the event on the local community. It is followed by the second factor, “Organization”, which highlights the importance of event organization by professional associations. The local population accentuates the importance of workshops and educational seminars as segments of events. The least important to the respondents are those questions connected to the factor “Promotion”, followed by questions referring to the factors of “Services” and “Entertainment”. However, the results of the analysis of ANOVA variance indicate that the third factor, which refers to the content of entertainment programme of the event, is more important for younger population (up to 20) as well as for the age group of 61 years and higher. Such results are expected considering the fact that respondents were the local population members who



do not belong to the working group (students and retired). Furthermore, the aforementioned age groups gave statistically significant higher marks to the fifth factor, which refers to quality and services prices as well as to safety of visitors at the event. The youngest (up to 30) and the oldest respondents (61 and above) gave significantly lower marks to the importance of promotion with regard to other age groups.

Statistically significant differences in responses were also observed in a similar study conducted in the municipality of Lučani (Serbia), which showed that younger respondents gave significantly higher ratings factor related to socialization than older respondents did (Blešić et al., 2013).

Table 4 The Results of ANOVA

Factor	Mean values						F-value	LSD test
	age group 1 ≤ 20	age group 2 21–30	age group 3 31–40	age group 4 41–50	age group 5 51–60	age group 6 61 ≥		
F3	4.2011	3.3056	3.7671	3.8978	3.8376	4.3333	5.524*	1. 6 > 2. 3. 4. 5
F4	3.1494	2.8519	4.0137	4.0538	3.4957	3.3333	17.730 *	1. 2. 6 < 3. 4. 5
F5	4.1379	3.0833	3.5388	3.3602	3.7094	4.0000	8.187*	1. 6 > 2. 3. 4. 5

\* $p < 0.01$

## Conclusions

The rural areas in the Vojvodina have been neglected in recent decades; especially with regard to the development of sustainable tourism (which refers to any tourism type). Moreover, the development of rural tourism in multi-ethnic regions of Vojvodina province, to date, has been carried out by individuals (local enthusiasts) whose main weakness was a lack of adequate training in various aspects of the tourism and hospitality industry, specifically training on booking systems, training on how to correspond with clients and other stakeholders, how to analyse the motivation of the visitors and guests, and how to define potential market segments. Apparently, respondents consider economic factors to be critical in the less developed areas where severe adverse impacts of living conditions from the previous twenty years remain present.

The respondents are of the opinion that the good organization of one event increases the number of visitors, provides extra income for the local community, has a positive economic influence in general, and improves the quality of life in the local area.

A sense of empathy for other people and awareness of the importance of environmental protection may be considered to be personal features of the population in this region. In general, people from this area like to socialize, cooperate and collaborate

among themselves and with others from outside this area. Furthermore, they hold the opinion that events are to be places where people can relax and escape from everyday stress. Moreover, events enable making business connections, enable the exchange of ideas among ethnic groups in the community and contribute to the feeling of belonging. Finally, the events have a tremendous impact on the improvement of human relationships in the local community and influence cooperation between people in a positive manner.

Based on this, it can be concluded that the primary task is to introduce such activities within educational processes, in order to raise awareness of the local population about the importance of promoting and developing cultural services and events, and the cultural heritage of the region.

Considering the importance of cultural events for the development of tourism in rural areas, future research should be directed towards implementing benchmarking analysis to developed rural tourism destinations in order to appropriately adapt marketing strategies and their implementation in Vojvodina. Furthermore, it is necessary to conduct interviews with the responsible organizations for the development of tourism in Vojvodina, as well as other economic entities (Tourism Organization of Vo-

jvodina Province, and tourist organizations of municipalities and cities, as well as travel agencies).

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## Social Tourism: Tourism Students' Perception of the Phenomenon

**Janja Gabruč**

*University of Primorska, Faculty of Tourism Studies – Turistica  
janja.gabruc@fts.upr.si*

The purpose of this paper is a presentation of the phenomenon of social tourism; its definition, different interpretations and models are presented; social tourism beneficiaries and the positions of social tourism in different societies, socio-economic impacts and benefits that social tourism brings for individuals and society are also revealed. An empirical study of tourism students' perception towards social tourism was conducted in order to understand whether their understanding and attitudes toward the phenomenon change through educational intervention. The objective of the study was to identify whether a short educational course could influence tourism students' perception and attitudes toward the social tourism phenomenon. In our experiment, although a better understanding of the non-commercial character of social tourism and its social goals and aims was indicated after the short educational course, students still displayed a prevailing orientation towards the business aspects of social tourism. From the tourism students' perspective, social tourism is primarily perceived as a promising market niche and opportunity for future tourism development.

*Keywords:* social tourism, tourism education, perception/attitude change

### Introduction

Holidays have become an increasingly essential aspect of social life (McCabe, Minnaert, & Diekmann, 2012, p. 2) and "tourism has become regarded as such an essential part of contemporary lifestyles in affluent societies that to be excluded from tourism is to be excluded from the norms of everyday life" (Sedgley, Pritchard, & Morgan, 2012, p. 951); in essence, tourism has become a societal norm (Ylikännö, 2013). However, many people cannot, in fact, access or participate in travel, whether holidays, short breaks or even day trips (McCabe et al., 2012, p. 3). Sedgley et al. (2012, p. 951) argues that "non-participation in tourism therefore makes a contribution to social exclusion that goes far beyond the immediate experience of being denied participation in tourism activities". Lack of participation in an annual holiday is a meaningful indicator of material deprivation in the EU and, as such, it is included in the EU-SILC survey

(Eurostat, 2012). However, social tourism is neither a well-known or well-understood concept in tourism studies or across large sections of the tourism industry (Minnaert, Diekmann, & McCabe, 2012).

It is evident that social tourism provides economic benefits (EESC, 2006), e.g. increased employment, reduced tourism seasonality and greater economic activity and growth are becoming widely recognized for the tourism industry (Calypso initiative, 2010). However, it is very difficult to estimate the economic impact of the social tourism since "it is apparent that a few countries in Europe collect statistics in a way that allows the disaggregation of social tourism activity from mainstream tourism" (Diekmann & McCabe, 2013, p. 22). In the same research, some data about social tourism is presented "that in France 12% of the 45.4 million people going on a holiday were social tourists using social tourism infrastructures" (ibid). In contrast, social tourism, if it is done well, is

certainly socially progressive: “The term ‘social tourism’ is sometimes used too liberally, to justify initiatives that are mainly concerned with the profits and employment levels in the tourism industry” (Minnaert, 2012).

Accordingly, why it is important to study social tourism? If one can better understand the social tourism phenomenon, its social character, ethical values/foundations and the social (and economic) benefits that it brings, one can, as Minnaert (2012) once said, “make a huge difference to people’s lives” and generate increases in that added moral value that (according to contemporary definitions) are the essence of social tourism.

### **Social Tourism: Definition, Beneficiaries and Interpretations**

Social tourism is not a well understood phenomenon, and its meanings vary depending on the time periods and countries under discussion. First, it recognizes the fundamental right of all to have leave from work and take a vacation; second, it acknowledges the importance of leisure and holidays as an exceptional occasion in the physical and cultural development of individuals, promoting their socialization and integration into their community of workers, as well as broader society (Jafary, 2000, p. 542). A similar basis for the development of the social tourism concept is presented in the Opinion of the Economic and Social Committee on social tourism (EESC, 2006, p. 3) stating that “the right to tourism is a keystone of social tourism – everyone has the right to rest on a daily, weekly and yearly basis, and the right to leisure time that enables them to develop every aspect of their personality and their social integration.” The phenomenon of social tourism and non-participation in tourism by disadvantaged groups has recently started to receive increasing academic attention in Europe (McCabe, 2009; McCabe, Minnaert, & Diekmann, 2012; Minnaert, Maitland, & Miller, 2013) and, parallel to this, a group of leading researchers in the social tourism field has been formed from the above-named authors. Various aspects of social tourism and its different practices/initiatives have also been researched by many other authors: Smith & Hughes, 1999; Higgins-Desbiolles, 2006; Puczkó & Rátz, 2013; Carretero, Ferri, & Garcés, 2013, to name just a few.

The term “social tourism” is not well known, and research by the Family Holiday Association conducted in the UK in 2006 showed that 68% of 273 respondents had never heard the term (McCabe et al., 2012, p. 19). There is also a lack of a single and precise definition of what social tourism is (Minnaert et al., 2013, p. 5). In the same research (p. 6), we can follow the progress of the definition of social tourism from the earliest definition by Hunziker (1971) as “the relationships and phenomena in the field of tourism resulting from participation in travel by economically weak or otherwise disadvantaged elements of society”, to Hunziker’s (1975) second definition of social tourism as “a particular type of tourism characterized by the participation of people with the low income, providing them with special services, recognized as such”, which brings us to the contemporary definition of social tourism (p. 16) as “tourism with an added moral value, of which the primary aim is to benefit either the host or the visitor in the tourism exchange”. Couveia (1995 in Diekmann & McCabe, 2013, p. 21) suggests that social tourism should be understood as a type of tourism whose primary or exclusive characteristic should be a non-commercial goal. Some other researchers follow very similar paths in explanations of the definition of social tourism (Diekmann & McCabe, 2013, p. 21), and it seems that a certain level of academic agreement exists in relation to the ethical improvement to the scope of the definition, as well in practical expressions of the social tourism phenomenon. However, it must be emphasized that social tourism research still needs further research before an accepted definition of the concept by the academic and research establishment can take place (Minnaert et al., 2013, p. 16).

A debate remains about who the beneficiaries of social tourism are. Social tourism has changed its focus from factory workers and manual labourers to youths, families, seniors and the disabled who represent the four principal targeted groups across the European context (Diekmann, McCabe, & Minnaert, 2012, p. 35). The Calypso Initiative (2010) defines those target groups more precisely by describing them as consisting of underprivileged young adults (aged 18–30), families facing financial or other pressures, people with disabilities, over-65s and pensioners who cannot afford travel or are overwhelmed by the challenges of organizing a journey. The same



research by Diekmann et al. (2012) states that consideration of these target groups is required, arguing that “not all young people, senior citizens, families and persons with disabilities are excluded from tourism and should therefore be beneficiaries of social tourism and, secondly, these target groups do not cover all social groups that are excluded from tourism”; for example, single people between 30 and 65, midlife single women (Heimtum, 2012), single parents (Diekmann & McCabe, 2013), children living in poverty (Sedgley et al., 2012), children with chronic illnesses (Öneş et al., 2005) or terminal illnesses (Hunter-Jones, 2004). Diekmann and McCabe (2013, p. 26) distinguished between two major segments: working people and the unemployed; the first group benefits from social tourism through their unions or employers, and the second group mainly from state-backed schemes. It is indicated in the same research that in Germany and the UK, families mainly are targeted, including single parent families, adoptive and carer families, while Poland focuses mainly on youth and child holiday programs, and Spain mainly on seniors. Hall (2005, in Griffin & Stacey, 2013, p. 33) identifies several (previously mentioned) groups of beneficiaries when he states that, “tourism for all involves the extension of the benefits of holidays to economically marginal groups, such as the unemployed, single parents families, pensioners and the handicapped.” In this manner, the question arises as to who the target groups or beneficiaries of social tourism actually are? There is no single answer to this question, and European practice shows that different countries define groups of beneficiaries differently. Diekmann et al. (2012, p. 37) states that “there are also ideological differences between countries regarding the treatment of these groups; they could be targeted specifically for funding, to promote social accessibility or to increase holiday participation regarding the demographic or income criteria.”

The complexity of the concept of social tourism and its beneficiaries are also presented in a four-way model of different ‘interpretations’ of social tourism (Minnaert et al., 2013). This is the first attempt in contemporary research in developing a classification and interpreting different forms and beneficiaries of the social tourism phenomenon. The model is based on two main categories “tourist” and “product”, each with two different sub-categories. Social

tourists may be distinguished from other tourists and seen as a segregated group of “social tourism users only” or may be an integrative part of the mainstream tourism, i.e. “social tourism users and other users”. The second category is product, taking the form of a “standard product” or “specific provision”. Combining different sub-categories allows four different models to be introduced: the *inclusion* model, the *participation* model, the *adaptation* model and the *stimulation* model. The *inclusion* model encourages participation for many and most members of society, according to the principle “tourism for all”, while in the *participation* model, the disadvantaged are especially and actively targeted to encourage participation; social tourism initiatives in the *adaptation* model are specifically designed for persons who are economically or otherwise disadvantaged; in the *stimulation* model, social tourism is interpreted “as tourism that provides economic opportunities via travel and tourism for persons who are economically weak or otherwise disadvantaged (Minnaert et al., 2013, p. 7). Highly similar to the *stimulation* model is the phenomenon of ‘solidarity tourism’ which aims to introduce the tourist to concrete forms of solidarity with the host community; this solidarity can take two forms: the tourist may support a local development project or contribute to a fundraising initiative (Bélanger & Jolin, 2013, p. 106). In addition, the important role of underlying the ethical values that shape social tourism forms was revealed in research by Minnaert, Maitland and Miller (2006, p. 16), which not only helps to categorize different initiatives of social tourism, but also challenges its practitioners to assess the success of these initiatives on this ethical basis.

From the perspective of the ‘typical’ tourism consumer, probably no product labelled as ‘social tourism’ is appealing, since participation in social tourism activities is possible (mainly) via identification as ‘economically weak or otherwise disadvantaged person’. In this context, the Calypso Initiative (2010a) also explicitly claims that “Calypso shall be a concept, but not that of tourism for the poor” (p. 3). Within the Calypso document focusing on good practice, Inatel of Portugal, emphasized that the primary concern of their “tourism program for all” was to not stigmatize the participants of the project. Furthermore, in other countries, notably the Nordic ones,



there has been a hesitance towards the term “social tourism”; for example, “tourism for all” is the terminology used in Sweden. Therefore, one can surmise semantic and practical movements in social tourism from specialized supply towards more mainstream supply. The ‘tourism for all’ philosophy is often mentioned in order to minimize the ‘incriminating’ contexts of social tourism. Its goal is to include as many people as possible into tourism and leisure and, as cited by Bélanger & Jolin (2013, p. 106), “it is the role of the public sector to encourage and support holiday participation in the different layers of society and to develop strategies that are tailored to different target groups.” Semantically, the aim of such an initiative is to include and further open access to the wider population, not just for specifically targeted groups. However, the case is “that the countries with the most developed social tourism systems can actually be argued as less inclusive than they could be for unemployed and other marginalized members of society who remain excluded” (Diekmann & McCabe, 2013, p. 28); that is true of countries where social tourism has been conducted under the umbrella of labour (union) organizations; for example, social tourism in France is very well developed but fails to reach and adapt to new forms of poverty and social exclusion (McCabe, 2009).

### **Social Tourism: Status and Social Benefits**

The position of social tourism also differs according to different ideological and political/economic developments in European countries. Minnaert et al. (2009, p. 317) argues that the position of social tourism is different: while in several countries of continental Europe (e.g. France, Belgium, Spain) social tourism is supported by public funding and mostly takes the form of low-cost domestic holidays, in other countries (UK and USA) social tourism is a less well-known phenomenon, and rarely public funded. The basis for the provision in the first case is the perceived right of all to enjoy tourism (Minnaert et al., 2006), and social tourism is provided on the grounds that it increases equality between societal groupings. In the second case, social tourism is seen as discretionary activity, to which no right exists and any public funding in these circumstances depends upon utilitarian consideration, i.e. whether social tourism can confer net benefits to society as a whole. Accord-

ing to Ylikännö (2013), research re-emphasizes that holidaying can be dismissed lightly as a frivolous and hedonistic pursuit, something that people may enjoy in their lives, like expensive designer clothing or jewellery. Once, again holidays are understood to be a luxury and the access to them is not open to all.

The predominant ethical principles in different societies are the criterion for dividing societies into “socialized societies” and “individualized societies” (Minnaert et al., 2013, p.11): in socialized societies, the fact that “the stronger strata support the weaker will reduce the inequality between their members and thus become stronger overall”; individualized societies, in contrast, “do not support a priori duty of the stronger strata towards the weaker, but instead emphasize that the opportunities offered to one person should not limit the opportunities of another – every member of the society should receive equal opportunities, but this does not mean that the inequality between members should be reduced *per se*.” According to Minnaert et al. (2009), research on three discourses of Levitas (1998) on reducing social exclusion are presented: the redistribution discourse (RED), the social integrationist discourse (SID) and the moral underclass discourse (MUD). The role of social tourism within these discourses is different; from the RED point of view, social tourism provides low-income groups with holidays that they would not otherwise have; from the SID perspective, one can recognize that social tourism aims to increase participation in paid work for the host community (the author does not acknowledge this aspect); from the MUD perspective, social tourism increases social and family capital and reduces the presence of a number of behaviours that hinder the individual’s integration in society. Diekmann and McCabe’s (2013, p. 29) conclusion on the historical development social tourism and its present position is that “social tourism, although having been born out of an era dominated by social ideals and the worker movement, has elided into a policy framework driven by neoliberal social democratic principles”.

In addition, different social tourism initiatives/programs have different social benefits for their beneficiaries. For example, in the ‘tourism for all’ program (Calypso Report, 2010a), the social benefits of the program are highlighted and presented as ones that lead to greater social cohesion, offer experienc-

es between the different segments of society and do not stigmatize the participants of the project. In the literature, families with children especially are taken into consideration (McCabe, 2009; Sedgley et al., 2012). Nottingham University research shows that 77% of families were happier after a holiday, 70% were more optimistic and 74% had a more positive outlook on life (FHA, 2013). Recently, people with disabilities have also been recognized as an important market niche and different accessibility issues and/or tourism service provider/employee attitudes towards them are discussed (Ozturk, Yayli, & Yesiltas, 2008; Bizjak, Knežević, & Cvetrežnik, 2011), particularly in terms of better service, greater social inclusion and social benefits that they can gain from inclusion in tourism. Minnaert et al. (2009), Minnaert (2008) and McCabe (2009) have conducted research on the social impact of participation in social tourism by low-income beneficiaries and found evidence of benefits ranging from increases in self-esteem, improvement in family relations and widening of travel horizons to more pro-active attitudes to life and participation in education or employment. On an economic level, there is evidence that the development of social tourism can help to sustain jobs in the low season and generate income for host communities.

In addition to the previously mentioned benefits of holidays, other social benefits are presented in the study by Griffin and Stacey (2013, p. 34), including an essential break from (often stressful) routine and home environments; opportunities for social mixing by interaction with new people; higher life satisfaction; subjective well-being and enhanced quality of life (McCabe, Joldersma, & Chunxiao, 2010; McCabe & Johnson, 2013); improved mental and physical health and well-being; opportunities for personal development through new experiences in new environments; improved self-image and self-esteem; refreshment and improvement of relationships and establishing feelings of normalcy.

There is also evidence suggesting broader benefits, impacting individual and family well-being, and contributing financial and social benefits for society in general. Minnaert et al. (2009) claim that in countries where social tourism is an established part of public policy, its benefits are strongly asserted, while in countries where it is not established on a correct

basis, evidence that it confers benefits to participants and wider society is needed; furthermore, if such benefits exist, research is needed to investigate how they can be maximized cost-efficiently.

The development of social tourism in the EU faces significant constraints and, as stated above, has elided into a policy framework driven by neoliberal social democratic principles. Research emphasizes that "for social tourism to work" there needs to be, among factors, a focus on defining the social function/purpose and goals of social tourism, including identification of the benefits for supporting social tourism (Diekmann and McCabe, 2013, p. 29). It is crucial for future social tourism development to acknowledge that social benefits should be a core concern for all parties involved, public or private. Nevertheless, the boundaries between social and commercial tourism have become increasingly blurred, since traditional social tourism providers have to adapt to commercial demand and attract new customers, and commercial businesses turn to social tourism to attract business in the low season (Minnaert et al., 2013).

The aim of this research is twofold. First, to draw together literature on social tourism; second, to test the idea empirically through a study of how tourism students' perception and attitudes towards social tourism change during their period of study. The study was carried out using students from undergraduate tourism study programs. It is experimental, and it examines whether short educational, social tourism courses influence the tourism students' perception and attitudes towards the social tourism phenomenon. More specifically, the objectives of the study are: (i) to identify how tourism students perceive the different dimensions of social tourism before and after imposing the independent variable of a social tourism educational study course; (ii) to identify whether such a short educational intervention could influence tourism students' attitudes.

According to our aims, a hypothesis was derived:

Hypothesis 1: Short educational courses can influence tourism students' perception and attitude towards social tourism.

Due to the poor pre-knowledge of social tourism, the students did not understand the phenomenon well or had misconceptions about it; this actually represents the central assumption of our research,

and the research question was formed around it. It was expected that after a short educational intervention, the students' perception would be different and that their attitude towards the phenomenon would change.

The independent variable was the social tourism-based instruction. The experimental procedure planned for the group of students was tested on two different occasions: before and after the educational intervention. The group members were students of similar age and levels of education.

The dependent variable was students' perception/attitude towards social tourism. It was expected that social tourism education would affect students' perception of social tourism and would change their attitudes towards social tourism.

### Research Methodology

The design of the study was experimental; A simple experimental design (a one-group pre-test-post-test design) was used. Similar experimental research among tourism students was also conducted by Bizjak, Knežević and Cvetrežnik (2010). At the beginning of the experiment, students were invited to volunteer for the research project. According to the study programme two groups of students were included: students of the undergraduate professional study programme and students of the undergraduate university study programme. Students of Turistica, the Faculty for Tourism Studies, University of Primorska, were asked to complete a self-administered questionnaire on their perceptions of social tourism. After completing the questionnaire, they attended an 80-minute (first) lecture on the definition of social tourism and different interpretation/models of social tourism. Over a three week period, smaller groups of three to five students conducted independent studies on pre-selected topics about different aspect/topics of social tourism, including social tourism participation, families/children and social tourism, benefits of social tourism, holiday as a societal norm, subjective well-being and social tourism, social tourism and social policy, ethical foundations of social tourism, and charities and social tourism. In two additional 80-minute lectures (organized one week apart), the main findings of the individual group studies were presented to the entire group of students; comments were then elicited by a moder-

ator familiar with the experiment. At the end of the classes (three 80-minute classes; the total experiment period lasted one month from 17 December 2013 to 14 January 2014), the students were re-tested (with the same questionnaire). The data were computed using the SPSS statistical package. A Pearson correlation coefficient was used to analyze the perception of social tourism before and after the applying the independent variable of education; different correlations between indicators were expected before and after the testing. The t-test was also used to analyze the differences between these the two different occasions, i.e. pre and post-test situations.

The questionnaire was divided into two parts: the demographic questions in the first part (gender, age, study program); 13 statements about social tourism were presented to measure the perception of students towards the phenomenon of social tourism in the second part. All the statements were theory-driven (Minnaert et al., 2006; Minnaert et al., 2013; Diekmann & McCabe, 2013; Ylikännö, 2013) and chosen according to their relevance in relation to the definition, beneficiaries, economic and social benefits, funding and organization, moral/ethical dimension and future development of social tourism products. According to contemporary social tourism theory, those are key research/academic topics. Twelve statements were formed as six pairs of opposite meanings (to assess the meaning of one specific indicator two statements were formed) and one additional non-pair/independent statement was added to the questionnaire:

1. Pair – definition: (1) "Social tourism is related to and justified primarily by the benefits that it brings to social tourism users/beneficiaries" and (2) "Social tourism is related to and justified primarily by the benefits that it brings to providers of social programs";
2. Pair – beneficiaries: (3) "The aim of social tourism is to offer holidays to the major part of society, since holiday are now the societal norm or right of an individual" and (4) "The aim of social tourism is to offer holidays to eligible groups who cannot afford one for various reasons (financial and/or health)";
3. Pair – economic and social benefits: (6) "The purpose of social tourism is essentially to generate

economic growth, reduce seasonality, create and sustain jobs in the tourism sector employment and assist in the development of regions” and (7) “The aim of social tourism is primarily related to non-commercial goals, such as enhancing equality and independence, increasing social inclusion and obtaining benefits for social tourism beneficiaries”;

4. Pair – funding: (8) “Social tourism organization and funding is primarily the domain of humanitarian and non-profit organizations” and (9) “Social tourism organization and funding is primarily the domain of the state (as a part of social/health policy)”;
5. Pair – moral/ethical dimension: (10) “Social tourism sees holidays simply as a tourism product” and (11) “Social tourism products include certain moral beliefs”;
6. Pair – future development: (12) “Social tourism is, within existing business systems, a good market niche for the tourism industry” and (13) “Social tourism represents an opportunity for the development of social entrepreneurship in tourism”;

The independent statement – different models/interpretations of social tourism: (5) “Certain programs of social tourism are more justified than others; some of the social tourism models are more important for the development of this area than others”.

Respondents were asked to rank their answers on a five-point Likert-type scale (1=completely disagree and 5=completely agree). The questionnaire (i.e. dependent variables) were tested for normal distribution (Skewness and Kurtosis coefficients) they were all normally distributed, except for one exception (statement no. (4) excluded from the further statistical analysis due to the high Kurtosis coefficient (3.764)). These statements were analyzed using the Pearson correlation and t-test analysis.

Eighty-eight students were invited to participate in this experiment. In pre- and post-testing, a total of 138 completed questionnaires were collected. In the first testing, before the lectures, 71 respondents participated: 41 students (57.7%) were undergraduate professional study programme students, the remaining 30 students (42.3%) were undergraduate university study programme students. In the second testing, after attending three lectures, 67 students par-

ticipated and the relationship between professional and university study program students was almost identical: 38 (56.7%) professional students versus 29 (43.3%) university program students. The participants represented a reliable sample of the students at Turistica, Faculty for Tourism Studies in Portorož, since the total number of university and professional students is 504 students. Almost two thirds (62.3%) of students were females in their twenties (mean = 20.7 years), and a little more than a third (37.7%) were men. In the table below, the essential characteristics of respondents are presented.

Table 1 Demographic characteristics of the sample

	Frequency	Percentage
GENDER		
Male	52	37.6
Female	86	62.3
AGE		
18	4	2.9
19	37	27.0
20	60	43.8
21	21	15.3
22	11	8.0
23	4	2.9
STUDY PROGRAM		
Undergraduate professional	79	57.2
Undergraduate university	59	42.8

## Results and Discussion

Our first proposition was that tourism students' perception of social tourism would be different before and after the short educational course. To test that proposition, an analysis of their perceptions before and after introducing an independent variable was made and, through comparison of the correlations between indicators (before and after the educational program), a change in the students' perception towards the social tourism phenomenon was observed.

According to the contemporary definition of social tourism and its primary aim, two statements were developed and perceptions towards the phenomenon were tested: first, "Social tourism is related to and justified primarily by the benefits that it brings to providers of social programs"; and second, "Social tourism is related to and justified primarily by the benefits that it brings to social tourism users/beneficiaries". As expected, after the short educational programme, the correlation between these two statements was statistically significant and negative ( $r = -0.264$ ,  $p = 0.031$ ); before the educational programme, a statistically significant correlation did not exist ( $r = -0.150$ ,  $p = 0.213$ ). This indicates that the students perceived these two statements as opposite and, therefore, a negative correlation was indicated even before the social tourism lectures. It also means that the grounds, or the basis, for the primary aim of social tourism changed, and the students perceive social benefits to be the core benefits of social tourism and its products.

Before the participants were exposed to the stimulus of the independent variable, they naturally had certain conceptions and formed opinions about the phenomenon of social tourism; these are presented in following correlations. Those who agreed that "Social tourism is related to and justified primarily by the benefits that it brings to providers of social programs" (i.e. economic benefits) also:

- a) disagreed with the statement that "Social tourism aim is primarily related to the non-commercial goals such as enhancing equality and independence, increasing social inclusion and obtaining benefits for social tourism beneficiaries" ( $r = -0.288$ ,  $p = 0.015$ );
- b) agreed with the statement that "Social tourism sees holidays simply as a tourism product" ( $r = 0.257$ ,  $p = 0.031$ );
- c) agreed that "Certain programs of social tourism are more justified than others; some of the social tourism models are more important for the development of this area than others" ( $r = 0.294$ ,  $p = 0.013$ );
- d) and agreed with the statement that "Social tourism represents an opportunity for the development of social entrepreneurship in tourism" ( $r = 0.244$ ,  $p = 0.41$ ).

This perception supports the idea of Minnaert et al. (2013, p. 13), claiming that "in recent interpretations of social tourism, the economic benefits of the phenomenon have started to play an ever more central role (correlation a): they offer a financial, rather than purely moral, argument for social tourism development and this has resulted in markedly increased interest in social tourism projects in the stimulation model", e.g. the Calypso program (correlations b, c, d). After the introductions of the independent variable, all the above-presented correlations were no longer statistically significant. This indicates that perceptions toward the social tourism phenomenon changed; the students gained some knowledge about the economic and social benefits of the social tourism, and their understanding of social-economic justifications and the potential impacts of social tourism is different than it was before.

Students' perception and understanding of social tourism (before the short educational programme) primarily as an industry with "commercial" character could be observed through the several correlations indicated below. The indicator "Social tourism today can be seen primarily as a tourist product" correlated significantly with:

- e) As previously mentioned "Social tourism is related to and justified primarily by the benefits that it brings to providers of social programs" ( $r = 0.257$ ,  $p = 0.031$ );
- f) "Social tourism is related to and justified primarily by the benefits that it brings to social tourism users/beneficiaries" ( $p = 0.313$ ,  $p = 0.008$ );
- g) "The aim of social tourism is to offer holidays to eligible groups who cannot afford one for various reasons (financial and/or health)" ( $r = 0.324$ ,  $p = 0.006$ );
- h) "The purpose of social tourism is essentially to generate economic growth, reduce seasonality, create and sustain jobs in the tourism sector employment and assist in the development of regions" ( $r = 0.489$ ,  $p = 0.000$ );
- i) "Social tourism is, within existing business systems, a good market niche for the tourism industry" ( $r = 0.542$ ,  $p = 0.000$ );



- j) "Social tourism represents an opportunity for the development of social entrepreneurship in tourism" ( $r = 0.466$ ,  $p = 0.000$ )

The perception of social tourism and its economic benefits/impacts are again highlighted and confirmed through almost all presented correlations (correlations e, g, h, i, j). It is obvious that students' commercial understanding and perception of social tourism prevails. Social tourism is seen merely as a tourist product that should bring benefits for both the social tourism providers and users (economic and social benefits) (correlations e, f); In order to bring (economic) benefits to the providers, the product should contain (social) benefits/values recognized by customers and, as such, are offered to (social) tourism users (correlation g). According to modern theories of consumer behaviour in tourism, tourism products should be tailored to the needs and desires of guests (Swarbrooke & Horner, 2005) and, according to Peter and Olson (2005), consumers' product knowledge and perception of the product "consequences and end values" (i.e. benefits or risks) are the critical issues for the development personally relevant meanings of products and brands for the consumers. Furthermore, the concept of "memorable tourism experiences" (Kim, 2014, p. 36) and its dimensions (hedonism, refreshment, social interaction and local culture, meaningfulness, knowledge, involvement and novelty) highlights the benefits that tourism products could have for its users and should be developed and justified in order for organizations to develop and maintain competitive advantage. In the second testing, after the short educational course, almost all correlation becomes statistically insignificant (correlations e, g, h, i, j) and one correlation changed from positive to negative (correlation f;  $r = -0.424$ ,  $p = 0.049$ ). In addition, some new correlations appeared in the second testing where a non-commercial aim of social tourism could be observed. After the short course, the indicator "Social tourism today can be seen primarily as a tourist product" correlated significantly and negatively with:

- k) "The aim of social tourism is primarily related to non-commercial goals such as enhancing equality and independence, increasing social inclusion and obtaining benefits for social tourism beneficiaries" ( $r = -0.322$ ,  $p = 0.008$ ).

Obviously, those students who agreed with the "non-commercial goal of social tourism" (and "refuse to see social tourism (only) as a product") perceive the social tourism product/phenomenon differently and also agree with:

- l) "Social tourism is related to and justified primarily by the benefits that it brings to social tourism users/beneficiaries" ( $p = 0.286$ ,  $p = 0.019$ );
- m) "Social tourism today can be understood primarily as a product that includes certain moral beliefs" ( $p = 0.471$ ,  $p = 0.000$ ); even before the lectures, the statement was statistically significant ( $p = 0.259$ ,  $p = 0.029$ ) and the statements l & m have a statistically significant correlation ( $r = 0.301$ ,  $p = 0.013$ ).

This again means that perceptions toward the social tourism phenomenon changed from understanding the phenomenon as primarily commercial and its impacts as primarily economic to a phenomenon in which non-commercial goals and aims exist, in which social tourism products promote benefits for social tourism users, and which include certain moral beliefs and values. This is completely in line with the modern understanding and interpretation of social tourism as "tourism with an added moral value, of which the primary aim is to benefit either the host or the visitor in tourism exchange" (Minnaert et al., 2013). Participation in social tourism is also significantly determined by tourism inexperience and uncertainty of the social tourism beneficiaries (Minnaert, 2014). Therefore, there are some specific characteristics of social tourism products that are not yet well-researched in the contemporary social tourism literature.

Despite students' more ethical understanding of the phenomenon, the perception of social tourism phenomenon and/or products as a business opportunity remains even after the introducing the social tourism education (which is anticipated according to our business oriented tourism study programs) and could be observed through several correlations in the second testing:

- n) "Social tourism products include certain moral beliefs" in correlation with "Social tourism represents an opportunity for the development of social entrepreneurship in tourism" ( $r = 0.352$ ,  $p =$



0.003); the moral basis for social tourism includes the potential for the development of social entrepreneurship;

- o) In relation to the “Social tourism as a good market niche for the tourism industry” positive correlations were found with:
  - “The aim of social tourism is to offer holidays to the major part of society since holiday are now the societal norm or right of an individual” ( $r = 0.246$ ,  $p = 0.046$ ), which means that the social tourism niche is recognized and could be developed and justified through the interpretation of social tourism as a societal norm or individual right;
  - “The purpose of social tourism is essentially to generate economic growth, reduce seasonality, create and sustain jobs in the tourism sector employment and assist in the development of regions” ( $r = 0.397$ ,  $p = 0.001$ );
  - “Social tourism represents an opportunity for the development of social entrepreneurship in tourism” ( $r = 0.435$ ,  $p = 0.000$ ).

In this context, it is interesting that before the lectures students perceived “social tourism and its non-commercial goals” “primarily as the (financial and organizational) domain of the state” ( $r = 0.238$ ,  $p = 0.046$ ) or “within the humanitarian and non-profit organization domain” ( $r = 0.405$ ,  $p = 0.000$ ), while after the lectures they perceived it differently (since both correlations were insignificant after the lectures), i.e. more as a opportunity/niche for the traditional commercial tourism providers and social entrepreneurs in tourism.

To support the perception of social tourism as a recognized potential market niche in the tourism industry, the Calypso Initiative, which was launched by European Commission in 2008, must be mentioned. As indicated in the research of Bizjak et al. (2011) and Ozturk et al. (2008), people with disabilities (which represent one of the major groups of social tourism beneficiaries) have become an important niche for tourism industry, and this market has become a highly significant economic and business factor in the tourism industry. Consistent with this is the students’ perception of social tourism; although they are evidently more sensitive to the ethical and

non-commercial goals of the phenomenon, their perception of social tourism and their study goals remain primarily business oriented.

The second proposition was that short educational program could influence tourism students’ attitudes towards social tourism. To test that proposition, a t-test between two groups of students that had different levels of knowledge/education about social tourism was made. The short educational course on the social tourism phenomenon produced statistically significant differences with respect to only one indicator, which states that “social tourism is a good market niche for the tourism industry” ( $t = -2.800$ ,  $p = 0.006$ ): the mean values in the second measurement (Mean = 3.28, St. dev = 0.997) are higher than in the first one/test (Mean = 2.82, St. dev = 0.961). This is an indication that awareness of social tourism as an important market niche increased after the short educational programme. This increased awareness is fundamental for the future development of social tourism (market niche), as an integral part of the tourism industry and within the operations of commercial tourism providers, or as a form of private-public co-operation/partnerships between commercial and social tourism providers.

In terms of successful development of social tourism, it is vital that tourism educational institutions provide their students with education relating to this particular form of tourism, so that they will understand the phenomenon and be able to “do it well”. Currently, the topic of social tourism is hardly ever mentioned during tourism studies in Slovenia.

## Conclusion

Social tourism is an important niche for the tourism industry (Calypso Report, 2010). The development of social tourism and its organization and funding are still primarily the domain of non-profit and humanitarian organizations in Slovenia. In this context, this paper has contributed to better knowledge and understanding of tourism students’ perception of social tourism and the economic as well as social benefits that it brings to individuals and society as a whole. The empirical results imply that although the students understand the non-commercial character of social tourism and its social goals and aims, a business orientation remains and prevails; they perceive social tourism primarily as a good market niche/op-

portunity for future tourism development. In this respect, it is essential that students, during their tourism studies, obtain necessary information and knowledge of social tourism in order to “do social tourism well” (Minnaert, 2012), i.e. to develop products that are economically sustainable while the social benefits are at the forefront of these social tourism products. This research provided support for the conclusion that an integration and cooperation between the social/charitable sector and commercial tourism providers certainly has a future and, as such, represents a new niche for developing various forms of public-private or charitable-public (Hunter-Jones, 2013) partnerships as well as the development of social economy, for example cooperatives (Caire, 2012, p.73). Since there is tendency that the traditional social tourism providers have to adapt to commercial demand and attract new customers and, vice versa, commercial business turn to social tourism to attract business in the low season (Minnaert, 2013), such cooperation is even more likely. Including social tourism education into the tourism curriculum is crucial to developing this market niche successfully and appropriately. In fact, this research opens new possibilities for the tourism industry, for the hotel sector and as well for travel agencies, restaurants and the like.

For tourism students (i.e. future tourism providers), the contemporary understanding of social tourism can also be understood as a business activity generating a low(er) added economic value at the expense of higher added moral value, where “discounts are offered on a voluntary basis by the private sector in exchange for increased business, added publicity and in consideration of corporate social responsibility objectives” (Minnaert et al., 2013). Social tourism can be seen as an investment for the future success of a business in which short-term profits are exchanged for more long-term socio-economic benefits.

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# Tourism as a Supplementary Activity on Organic Farms in the Primorska Region, Slovenia

**Simon Kerma<sup>1</sup>**

*University of Primorska, Faculty of Tourism Studies – Turistica  
simon.kerma@fts.upr.si*

**Barbara Lampič**

*University of Ljubljana, Faculty of Arts, Department of Geography, Ljubljana  
barbara.lampic@ff.uni-lj.si*

**Dane Podmenik**

*Institute Eko-Humanitatis, Koper  
dane.podmenik@gmail.com*

The paper deals with tourism as a supplementary activity on organic farms in the Primorska region, in Slovenia. In the region, at the end of 2013, there were 99 organic farms with different types of supplementary activities, 44 of which had formally registered at least one form of tourist services. We analysed 27 organic farms by using a qualitative approach (structured interviews with the owners, content analysis of the brochures and relevant websites of the identified organic farms). In the research, we primarily focused on tourism supply, marketing and promotion analysis together with the plans for farm tourism. The aim of the research was to estimate farms' contribution to sustainable regional development. Findings show that the supply of tourism services on organic farms in the Primorska region is highly diverse, and that the owners are mostly satisfied with tourist visits and outcomes of the farm. While tourism on organic farms in the northern (pre-Alpine) part of the region is relatively well developed, the southern part shows a different picture, with low numbers of such farms. One of the main findings is the detection of a high correlation and synergetic relationship between farm tourism and organic farming, which results in significant benefits for both activities. Developing tourism on organic farms has consequently (despite some obstacles and disadvantages) good regional potentials in the future.

*Keywords:* farm tourism, organic farming, ecotourism, development opportunities for rural regions, the Primorska region, Slovenia

## Introduction

One theoretical and applicative model of sustainable (neo)endogenous rural development that has been in use in recent years is the concept of an eco-economy, which can be considered to be a new paradigm

of the rural development, according to Horlings and Marsden (2014). The eco-economy can be defined as an effective social management of local resources, with the aim of integrating socio-economic development and the conservation of natural resources on the local or regional levels. By combining local production and consumption, we create links and net-

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<sup>1</sup> Authors are written in alphabetical order – there is no leading author. Simon Kerma is a corresponding author.



works of innovative entrepreneurial activities that use environmental resources in a more sustainable and eco-efficient way. This, in addition to new products and services, creates new rural-urban relations, which represent a new driving force for rural development. It is, therefore, a paradigm based on integration into the local environment, ecological modernization and small-scale economy (Kitchen & Marsden, 2011). The eco-economy includes a range of economic and entrepreneurial activities. In addition to (organic) farming, activities connected to food processing, the use of renewable energy, social entrepreneurship and rural (eco)tourism also play an important role. In this paper, the majority of attention is devoted to rural (eco)tourism.

Farm tourism (or agritourism) has numerous definitions. According to Garrod, Wornell, and Youell (2006), it represents a mild form of sustainable tourist development and multi-activity in rural areas through which the visitor has the opportuni-

ty to become acquainted with rural areas, local products, traditional cuisine and the daily life of the people, as well as the cultural elements and the authentic features of the area. Tourism, as such, has been widely promoted and recognized as a development strategy for rural areas seeking to replace declining primary activities, i.e. agriculture (Cawley & Gillmor, 2008; Woods, 2011; Potočnik Slavič, 2012). When defining farm tourism, a focus on the relation between tourism and agriculture or the links between both is often present. Sznajder et al. (2009) define agritourism as “tourist activity whose aim is to familiarize oneself with farming activity and recreation in an agricultural environment”. Farm tourism necessarily comes into some form of contact with agriculture, but the level of contact tourists have with agricultural activities can vary (Phillip et al., 2010).

Farm tourism is often recognized as a form of sustainable tourism (Hardy & Beeton, 2001) and thus, has an important role in sustainable rural de-

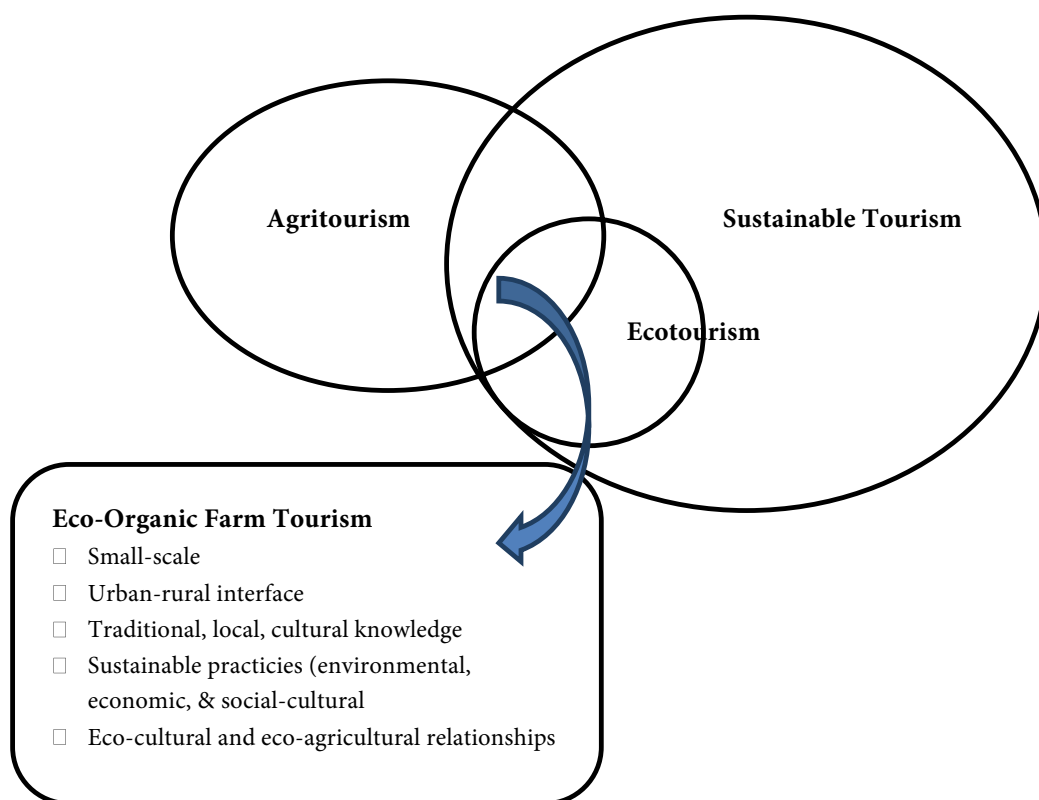


Figure 1 Definition of “Eco-Organic Farm Tourism” by Choo and Jamal  
Source: Choo and Jamal, 2009, p. 450.

velopment. However, can agritourism automatically be defined as sustainable? If we consider various problematic impacts of (intensive) conventional agriculture on natural resources, biodiversity, landscape, human health and socio-economic condition of the (smaller) farms, the answer to this question is “no”. There are various interpretations and definitions regarding what sustainable agriculture is (Bavec et al., 2009), although many authors agree that organic farming is the most sustainable form of agriculture (Rigby 6 Caceres, 2001). According to Lampkin (1994), organic farming owns numerous sustainable potentials such as ensuring environment protection, better food quality, redirection of farming towards the market demands and others. The contemporary primary goals of organic farming are, however, precisely defined by the International Federation of Organic Agricultural Movements (IFOAM, 2013).

We could, therefore, argue that only tourism on organic farms represents a truly sustainable practice of agritourism, and can be considered as a particular (new) form of ecotourism or “eco-organic farm tourism” (Choo & Jamal, 2009).

The authors suggest that this type of tourism can be employed as a strategy for facilitating sustainable agriculture, local development, social, cultural and environmental conservation, well-being, and education. According to them, ecotourism principles may be usefully applied as a guiding sustainability paradigm for small-scale organic farms engaging in tourism, but at the same time they are aware of the fact that some organic farms may not be suitable for adopting ecotourism activities (Choo & Jamal, 2009).

At this point, we shall move from theory to the concrete facts related to farm tourism and organic farming in Slovenia, in order to understand and compare the current state in the studied region. According to the Registry of Supplementary Activities (MAE, 2014, January), 1,904 tourism supplementary activities were registered on 1,120 Slovene farms (from the total of 74,646 farms). There were 454 tourist farms offering accommodation and 633 tourist farms offering only food and beverages. Other forms of tourism offer available on the farms include tours of the farm and farm surroundings, provision of barbecue sites, horse riding, etc.

According to the Analysis of the State of Organic Farming (*Analiza stanja ekološkega kmetovanja*,

MAE, 2014), by the end of 2013, there were 38,664 ha of organically farmed agricultural land (representing 8.4% of total agricultural land in use), and 3,049 farms that were managed in an ecological way (4.1% of all farms). One of the key characteristics of organic farming in Slovenia is a very high share of grassland (86.7%), but the average size of organic farm is nearly twice that of conventional farms (12.7 ha). This is mainly due to the fact that the majority of organic farms are located in the hilly and karst regions of the country, where traditional extensive agriculture (husbandry) prevails (Podmenik, 2012; Slabe et al., 2011). Since these areas are characterized by various limiting factors for agriculture and remoteness from urban centres, where the primary market for (organic) products is, as well as by rich natural and cultural heritage, we can assume that there are significant needs and potentials for developing (eco) tourism on organic farms.

After data analysis of tourist organic farms on the state level, it is evident that the level of diversification of income on organic farms is in general higher than on conventional farms. The reasons for higher diversifications are found in the unfavourable land use structure of organic farms (predominantly grassland) but also the innovative approach of many organic farmers being much more market oriented (Cigale et al., 2013; Slabe et al., 2011).

In this paper, we focus on the Primorska region, which can be defined as a very heterogenous region, in terms of both physical-geographical and socio-economic characteristics. One of the main characteristics of the region is its strong orientation towards tourism, with some recognized tourist sub regions, such as the Upper Soča valley, Brda, Karst and the Coastal part (Slovene Istria). Generally less developed in tourism is the eastern part of the Primorska region (Idrija and Cerklje hills, the high karst plateaus of Banjšice, Trnovski gozd and Nanos, the Vipava valley and Brkini), but the number of tourist organic farms there is relatively high. Preserved nature, natural and cultural heritage, tourist visibility, together with the increasing number of organic farms in the recent years represent great potentials for the development of tourism on organic farms in the region.

## Methodology

In the first phase, a comprehensive literature review regarding tourism on organic farms has been carried out. This was followed by an analysis of the current state of organic farming and the supplementary activities on organic farms in Slovenia (number, location, size, farm orientation, etc.), by using data of the Registry of Supplementary Activities and the Registry of Organic Farms, provided by the Ministry of Agriculture and the Environment (MAE, 2014; MAE, 2013). The second part of the paper is based on the research outcomes. The main emphasis is put on the analysis of tourism supply on organic farms, which has proven to be quite diverse. We also introduce other significant findings related to farm tourism, such as seasonality (duration), structure of the guests, marketing and promotion strategies, main problems regarding the development of farm tourism and future plans, in order to estimate eco-organic farm tourism potential.

The study was conducted in the Primorska region, which has various territorial definitions. We decided to follow the administrative criteria based on the regional strategic documents (RDPs), according to which the Primorska region is divided into a northern and the southern part (RDA North Primorska, 2006; RDA South Primorska, 2006). Primorska consists of two statistical regions: Goriška with 13 municipalities (North Primorska) and Obalno-kraška with seven municipalities plus Ilirska Bistrica from the Notranjsko-kraška statistical region (South Primorska).

In the Primorska region, 27 organic farms with the registered supplementary activity of “farm tourism” were identified at the time of our research (late summer 2012). Detailed research data were then obtained by using qualitative techniques and/or methods. Tourism supply on 27 organic farms was checked on the Internet or in promotional material (content analysis of their own websites and brochures, collecting information on some other relevant websites and in specialized publications, e.g. those of Association of Tourist Farms of Slovenia).

Personal experiences, acquaintances and networks also aided in our data collection. The acquired information was verified, completed and discussed in detail with the owners (structured interviews) of the analysed organic farms in August and September

2012. It appeared that three organic farms were not active in tourism at the time of the research due to current investments into accommodation facilities. One owner refused to answer the questions. The methodology is similar that used by Choo and Jamal (2009, 435–439). Geographical distribution of the 27 farms is shown on the map (Figure 2) and listed in Table 2.

In order to evaluate the role of tourism on organic farms in regional development policies and projects, we also analysed two regional strategic documents: the Regional Development Plan of North Primorska, and that of South Primorska. The topics of development potential and the role of tourism on organic farms in the Primorska region have not yet been studied in detail. However, on the state level, these issues were addressed in the work of Bojnec (2010), Pažek et al. (2005) and in the special edition of the journal *European Countryside* (Cigale et al., 2013), which observes that the occurrence of tourist farms (on the level of Slovenia) is primarily the result of farmers’ needs and opportunities and not (yet) the result of tourism market demand. As regards the studied area, Bojnec et al. (2007) and Podmenik (2012) addressed some issues of development potential of sustainable tourism. Therefore, in this paper, we bring some relatively new insights for the heterogeneous Primorska region.

## Research Outcomes

### Characteristics of Tourist Organic Farms in the Primorska Region

In the Primorska region, various forms of farm tourism are relatively well established. By the beginning of 2014, farms with supplementary activities (SA) in the studied area registered 448 different forms of tourist services, representing no less than one quarter of all farm tourist activities in Slovenia.

Following the official data (MAE, 2014) presented in Table 1, there are 44 tourist organic farms in the region with no less than 102 different registered tourism supplementary activities, which is more than two tourism activities per farm on average. The share of different tourism supplementary activities on organic farms in the Primorska region is 22.8 %, which is above the Slovene average. The high percentage indicates higher dynamics or business agility of organic farms, which evidently look for the income not only

Table 1 Types and Volume of Supply on Tourist Organic Farms of the Primorska Region

Relevant data	Primorska region	North Primorska	South Primorska
All tourist farms – number of SA	448	231	217
Tourist organic farms – number of SA	102	62	40
Share of SA on tourist organic farms	22.8	26.8	18.4
Tourist organic farms – number of restaurant seats	1,052	668	384
Catering part of the offer – number of SA	54	36	18
Additional offer – number of SA	48	26	22
All tourist farms – number of restaurant seats	8,622	3,919	4,703
Share of restaurant seats on tourist organic farms	12.2	17	8.2

Source: MAE, 2013; MAE, 2014

within but also outside the basic agricultural activities more often than conventional farms do.

However, it is necessary to call attention to some differences and specifics, reflected both in the services offered as well as the spatial representation. Tourism on organic farms is more developed in the northern part of the region, where 20 tourist organic farms offer accommodation and 62 out of 102 different tourist activities are registered. Above all, considerable differences can be noticed in the number of farms offering food (catering), with 36 in the northern part and only 18 in the southern part of the region.

Additionally, the developmental role of tourist organic farms can be highlighted through the analysis of the data on the registered restaurant seats on farms. As a rule, they are registered by farms with catering or excursion farms. At the beginning of 2014, the farms in Slovenia registered a total of 33,425 restaurant seats, 8,622 in the studied area of 21 municipalities, and 1,052 on tourist organic farms. This represents more than 12% of all restaurant seats on the farms of the Primorska region, which is a relatively modest number according to the proportion of all forms of supplementary tourist activities on organic farms (22.8%). These values, however, need to be interpreted in a wider context. Koper and Sežana together offer as many as 3,200 restaurant seats on their tourist farms. These are the areas with a long tradition in supplementary tourist activities that were in

recent years designed predominantly to accommodate the visitors who mainly come from the Italian side of the border.

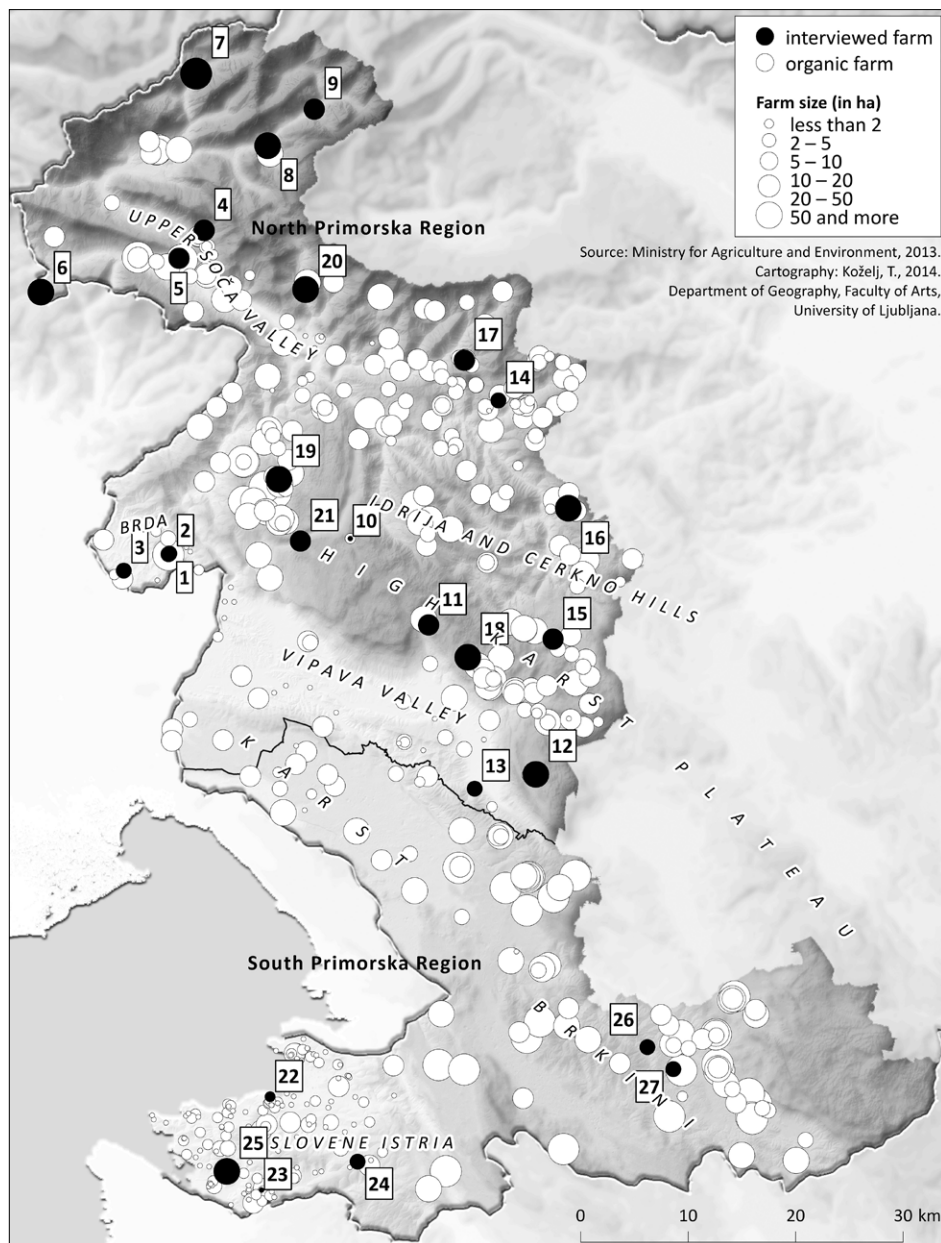
Even these values show explicit regional differences in the services offered. Tourist organic farms in the southern part of the region offer only 8% of all restaurant seats on farms, while tourist organic farms in the northern part have 17% of these seats, which is mainly because farm tourism in Slovenia is developed mostly in the areas with no other tourist services.

The developmental role of tourist organic farms (or so-called eco-organic farm tourism) can be determined by the share of organic farming on farms that have developed various forms of tourism. In the studied area, there are 448 formally registered supplementary activities connected to tourism, with only two smaller (newly established) municipalities out of 21 with no registered farms with tourism supplementary activities. Among the other 19 municipalities, no less than 17 also have organic farms as bearers of tourism supplementary activities, but to a considerably different extent. The studied supplementary activities are most widely represented in bigger municipalities (in Koper 82, Sežana 51, Nova Gorica 48, Idrija 46, etc.); however, tourist farms with organic farming are most common in typically rural municipalities, e.g. Bovec, Kobarid, Cerkno, etc. In Divača 72%, in Bovec 71%, and in Cerkno 61% of all tourism sup-

plementary activities take place on organic farms. In these rural areas, eco-tourism has been recognized as a developmental model on the level of an individual farm, but increasingly on the local and regional level as well. A detailed spatial distribution of (tourist) organic farms is shown in Figure 2.

#### Tourism Supply Analysis and Other Key Findings

Tourism supply on the analysed organic farms is quite diverse. Gastronomy service and catering is the prevailing type of tourism supply (23 farms), followed by accommodation (18 farms), guided tastings of (typical) homemade products (e.g. wine or olive



**Figure 2** Spatial Distribution of Organic Farms and Tourist Organic Farms in the Primorska Region

**Note:** Data shown on the map are adjusted to the present situation (field work).

*Table 2* Selected Results of Content Analysis of Websites and Promotional Material, and Interviews Conducted on 27 Tourist Organic Farms (August–September 2012)

	Tourist organic farm	Sub-region	Accommodation	Gastronomy (catering)	Guided tastings	Outdoor activities	Wellness	Educational programmes
1	Kmetija Štekar	Brda	✓	B&B	✓	✓	✓	×
2	Vinogradništvo in turizem Štekar	Brda	✓	✓	✓	✓	×	×
3	Kmetija Klinec	Brda	✓	✓	✓	✓	×	✓
4	Turistična kmetija Žvanč	Upper Soča valley	✓	B&B	✓	×	×	×
5	Turistična kmetija Mašera	Upper Soča valley	×	×	×	×	×	×
6	Turistična eko kmetija Robidišče	Upper Soča valley	✓	✓	✓	✓	×	✓
7	Turistična kmetija Černuta	Upper Soča valley	✓	✓	✓	✓	×	✓
8	Turistična kmetija Jelinčič	Upper Soča valley	✓	✓	✓	✓	×	✓
9	Ekološka TK Pri Plajerju	Upper Soča valley	✓	✓	✓	✓	×	✓
10	Ekološka kmetija pri Tončkovih	High carst plateau	✓	✓	✓	✓	✓	✓
11	Kmetija Jagruše	High carst plateau	×	×	×	×	×	×
12	Turistična kmetija Abram	High carst plateau	✓	✓	×	✓	×	×
13	Posestvo Burja	Vipava valley	×	×	✓	×	×	×
14	Kmetija-camp Zalaze	Idrija and Cerkno hills	?	✓	×	✓	×	✓
15	Pr Mark	Idrija and Cerkno hills	✓	✓	×	✓	×	✓
16	Kmetija Pr Jureč	Idrija and Cerkno hills	×	✓	✓	×	×	✓
17	Kmetija Flander	Idrija and Cerkno hills	✓	✓	✓	✓	×	✓
18	Penzion Sinji Vrh	High carst plateau	✓	✓	×	×	✓	✓
19	Kmetija Jakopič	High carst plateau	×	?	×	✓	×	✓
20	Kmetija pri Lovrču	Upper Soča valley	✓	✓	×	×	×	×
21	Kmetija Stanar	High carst plateau	N/A	N/A	N/A	N/A	N/A	N/A



22	Kmetija Dujc	Slovene Istra	×	×	✓	×	×	×
23	Kmetija Lisjak	Slovene Istra	✓	✓	✓	✓	×	×
24	Eko Laura	Slovene Istra	✓	✓	✓	×	×	×
25	Korenika&Moškon	Slovene Istra	×	✓	✓	×	×	×
26	Domačija Boštjančič	Brkini	✓	×	✓	✓	×	✓
27	Turistična kmetija Peternelj	Brkini	×	✓	✓	✓	×	✓

Note: North Primorska (organic farms No. 1-21), South Primorska (organic farms No. 22-27).

Legend: ✓ – yes, × – no, B&B – bed and breakfast, N/A – no tourism activity (temporary).

oil) and different outdoor activities (e.g. horseback riding, cycling). Approximately half of the farms offer various educational programs, such as guided visits of the farms with the presentation of the life and work on a farm, school in nature, art workshops and others. There are three farms offering wellness treatment, i.e. indoor pools, however, this cannot be defined as a holistic wellness product (see Table 2).

The fact that only one farm is without its own website proves that farmers are very much aware of the importance of the presentation and promotion on the Internet. We may assume that tourist organic farms are significantly more entrepreneurially orientated than conventional ones. In addition to this, the majority of tourist organic farms also promote themselves on domestic web portals (e.g. on [www.turistickemetije.si](http://www.turistickemetije.si) and/or [www.slovenianholidays.com](http://www.slovenianholidays.com)), and just a few of them use “conventional” channels (TV, radio, newspapers, etc.) for their marketing. However, interviews confirmed our assumption that by far the most important promotion channel for tourist farms is “word of mouth” marketing. Most of the farms have regular guests, who are the best “promoters” of their services.

Less than half of the farms cooperate with tourist agencies, but for most of them cooperation is occasional, with little (economic) importance. A few more (20) cooperate with local tourist information centres/points, but also here the farmers question the benefits of this kind of cooperation.

A little more than half of the farms are open throughout the year (with prior reservations), while other farms are open during the main tourist season, which is between May and September for the vast majority of them. The season is even shorter for those

farms that are located in the hilly and mountainous parts of the region.

Farmers referred to the natural and peaceful environment, climate and geographical position as the prevailing motives for visiting their farms. The structure of guests by nationality shows that farms are visited by approximately the same number of domestic and foreign tourists, which has also been reported by Horvat (2010). Domestic guests prevail in the low season and for short-term stays (one day or weekend), while foreign guests prevail in high season and for long-term stays. Foreign guests come from different countries, however; from the interviews, it can be concluded that the majority of them are German, Austrian and British.

Taking into consideration the future plans for tourism on the farms, about 60% (17 farms) plan to extend/improve their offered tourist services. Among those, seven farms have plans for new or additional accommodation facilities (rooms, apartments or a camp-site). For them, access to funding and financial support is crucial. Within the Rural Development Plan, there are measures for investments regarding supplementary activities (tourism) on farms. In our case, just 40% of the farms applied and were successful in obtaining this kind of financial support for developing farm tourism (e.g. facilities). The main inhibiting factor for many farmers is the large amounts additional bureaucracy and work, which results in high(er) costs for material, work, etc. Some farmers even reported that (by their calculations) overall costs can be higher in the case of applying/getting the support.

The general issue of excessive bureaucracy was indicated as one of the crucial problems regarding de-

veloping farm tourism, together with a) weak marketing support and weak cooperation with (local) tourist organizations, municipalities and regional development agencies; b) accessibility (problems with road infrastructure); and c) weather dependency and increasingly frequent weather extremes (due to climate changes).

With regard to the tourism potential of the studied organic farms, the analysis conducted shows that tourism holds an important position and that it is already seen as the central activity at seven farms. Eleven farms still predominantly focus on their primary (farming) activity, while for the other nine farms we estimate that both activities are in the complementary dynamic balance and occupy an equal position. Tourism on organic farms in the Primorska region is on the rise, but in general (at least for now) it does not threaten their primary activity. Quite the opposite: we estimate that it helps the farms to survive or deal with problems. From the regional sustainable development point of view, this is of great importance.

### Discussion and Conclusion

Organic farming in the Primorska region has received some research attention (Podmenik, 2012; Podmenik et al., 2013), however, tourism on organic farms (and its role in sustainable regional development) has yet to be studied. Since tourism plays an important economic role (particularly in the southern part of the Primorska region), the aim of this paper is also to evaluate the significance and the future perspective of (eco)tourism on organic farms.

In the strategic planning of regional development (RDA South Primorska region (2006) and RDA North Primorska region (2006)) for 2007–2013, organic farming and the tourism development in rural areas play an important role. Key guidelines for the development of tourism in rural areas are the establishment of sustainable tourism and support infrastructure, the promotion of the development of supplementary activities on farms, the increase in accommodation capacities, the introduction of typical local products and natural and cultural heritage into the offered tourist services, the linking of tourism in tourist and urban centres with tourist services in the rural areas, and the establishment of cross-border destinations. The emphasis is on the promotion of the innovative and “niche” tourist offer in the form of ec-

otourism, active holidays, culinary tourism, and other sustainable forms of tourism. The two key factors hampering the development of (eco)tourism are the lack of resources for the development of tourist services and effective marketing, and weak connections between the providers. The above mentioned strategic documents include numerous proposals connected to the development of (eco)tourism in rural areas (e.g. Regional Scheme for the Support of Small Accommodation and Catering Capacities in the Rural Areas). However, the review of implementation plans reveals that practically all (directly) co-financed projects were aimed at the development of public infrastructure; therefore, the actual financing of the abovementioned contents or projects did not occur.

It can be noted that, on the declarative level, the needs for the encouragement and development of (eco)tourism are clearly defined, but on the operational level, the realization is poor. One noteworthy new source of financial incentives is the LEADER program, which meets the development needs of the local environment through local initiatives with individual focus projects. We therefore used the information from the already established organic farms, active in the field of tourism supplementary activities, to estimate the actual sustainable role of this form of tourism in the rural areas and especially the farmers’ own views of the development of their activity.

Considering the results of our preliminary research, we call attention to the following key findings:

- The research proved a strong connection and synergistic relationship between farm tourism and organic farming (in the studied region), and major benefits for both activities, mostly in terms of marketing (selling options) of organic products. Tourism on organic farms can (in many cases) be defined also as innovative entrepreneurial approach.
- There are noticeable differences in the range of tourism activities on organic farms between the North and the South Primorska regions. The crucial factors are the higher number of organic farms and the longer tradition of organic farming in the northern part. To determinate (other) key

factors responsible for the present situation, additional research is needed.

- Tourism supply on organic farms is very diverse. A total of 102 different tourism supplementary activities are registered on 44 tourist organic farms, gastronomy services and catering being the prevailing type of tourism service, and also economically relevant for the farms. It must be noted that the (official) register does not reflect completely the actual situation, since some farmers register supplementary activities “just in case”, while others include them into their range of services without registering them. This reveals the need for changes in monitoring the data in the register, which are already being implemented on the national level.
- The interviewed owners (27) are mostly (very) satisfied with tourist visits and they plan to extend or improve their tourist offered tourism services (on seven farms, they want to build new or additional accommodation facilities). This proves that many farmers see tourism as a highly important activity and want to invest in further/additional development of tourism on their farms. Resilient farmers are already responding on demands of tourism market.

Despite the obvious prospects for the development of tourism in relation to organic farming, concerns remain that the supplementary activity gradually takes over the dominant economic role on the farm itself, inhibiting the development of agriculture or even gradually leading to its abandonment. Such scenarios can be seen at individual farms; however, at a regional or local level, it is important to establish a dynamic balance between the two activities.

The integration of tourism on organic farms with social entrepreneurship represents a potential based on the activation and the sustainable use of local resources and potentials of the area and encourages social and environmental innovation. It is social entrepreneurship that will receive a lot of attention or funding from the EU and the state in the next financial perspective.

In addition to this, within the 2014–2020 Rural Development Programme special measures for the development of social entrepreneurship in the countryside or organic farms are presented. In this con-

text, we can also see the opportunity in connecting into farm co-operatives, which can contribute positively to the socio-economic development of the small local areas and regions. Therefore, the Primorska region should follow, for instance, good practices in the neighbouring areas of the Friuli-Venezia Giulia region. There are many examples of local tourism co-operatives, which combine small local providers in rural areas and operate a system of “dispersed hotels”.

In the end, however, we can single out the segments of the sustainable development in which tourism on organic farms has the maximum effect (as well as the development potential):

- The economic aspect of sustainable development: Various forms of tourist and hospitality services that represent additional sales channel with added value (home sale with lower costs, higher prices of quality organic crops and products). Organic production methods (certified quality), as well as tourist services help to increase farm income.
- The social aspect of sustainable development: Due to the nature of supply and production methods, family farms have more opportunities for new (mostly green) jobs. Job opportunities in turn contribute to the preservation of rural settlement and viability of rural areas.
- The environmental aspect of sustainable development: Due to lower material and energy inputs (fertilizers, pesticides, etc.) organic farming has been recognized as the most sustainable form of food production, which further contributes to quality living environment and consequently better health. Often, organic production methods complement the farms' other offered services.

The potential for regional development in this part of Slovenia through tourist organic farms is reflected in the figures: by the end of 2013, there were 44 tourist farms in the area. In comparison to the rest of Slovenia, their number has increased rapidly in the recent years. Due to this rapid growth, the focus in the future should be on the effects on the level of individual farms and the wider local community. The findings of this field study further reveal the remaining problem of the so-called supportive environment, which is crucial for the future development

of eco-organic farm tourism and rural (social) entrepreneurship. In addition, stronger networks between farms and different stakeholders should be built, especially in the context of joint marketing and connecting rural areas to urban and tourist centres.

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## Tourism as an International Trade Category: Evidence from the European Union

**Alexey Kondrashov**

*Faculty of International Relations, the University of Economics, Prague  
ankon@atlas.cz*

**Ondřej Šima**

*Faculty of Finance and Accounting, the University of Economics, Prague  
xsimo09@vse.cz*

The tourism industry is expanding globally, and currently represents the third largest sector of the EU economy. However, tourism as a category of international trade has mostly remained unstudied. This study meets that need and has fulfilled the following objectives: to assess the contribution of the tourism sector to GDP in the EU member states and its relevance in international trade, and to verify the applicability of theoretical concepts of international trade to the tourism sector. This study has revealed that the share of tourism in country's GDP and exports is related to the existence of comparative advantages. In the context of Ricardian and Heckscher-Ohlin models, it has been shown that comparative advantages and factor endowments are key determinants of international trade, as the exports and imports of travel reflect them. Moreover, it has been determined that geographic location is also an important contributor to a nation's comparative advantages. These results can provide a new insight into tourism as an important export industry for individual European economies. The original contribution of this paper is that it provides a complex overview of the contribution of international tourism to the EU economies, and it extends the empirical literature in verifications of the applicability the classic theories of international trade to the EU tourism sector.

*Keywords:* tourism, GDP, EU, international trade, BoP, comparative advantage, Balassa index.

### Introduction

Despite occasional fluctuations, the tourism industry has been dynamically developing throughout the past decade. Likewise, over the past six decades, tourism has experienced tremendous growth from 25 million international tourist arrivals in 1950 (1% of the world's population), to 1,035 million in 2012 (14.7% of the world population) (Population Reference Bureau, 2012). The substantial growth of tourism activity makes it one of the most remarkable economic and social phenomena of the past century (UNWTO, 2008).

As an internationally traded service, tourism has become one of the world's major trade categories. According to recent UNWTO statistics, tourism exports account for 30% of the world's exports of commercial services and 6% of overall exports of goods and services (UNWTO, 2013). The impacts of tourism run deep into the global economy, as it stimulates the development of accommodation, as well as transportation infrastructure.

Among the world's regions, Europe is a leading tourism destination. Notwithstanding the fact that tourism is often placed among the world's largest



economic industries, there is a lack of publications focused on the evaluation of tourism as a category of international trade. Therefore, this study has the following objectives: to assess the contribution of the tourism sector to GDP in the European Union (EU) member states and its relevance in international trade, and to verify the applicability of theoretical concepts of international trade to the EU tourism sector. Through the use of a balance-of-payments approach and the analysis of the major theories of international trade, the above-mentioned objectives will be achieved. In this research, 25 EU countries (EU-25) were analysed. The choice of the countries was made because all of them have been EU members since 2004, which thus offers a consistent framework of harmonized statistical data for analysis.

## Background

### Overview of European Tourism Industry

In 2012, Europe accounted for 535 million foreign tourists, representing 51% of all international tourist arrivals worldwide. Furthermore, Europe holds the largest share of international tourism receipts (43% share), reaching US\$ 458 billion in 2012 (UNWTO, 2013). Specifically, about 84% of tourist trips were made within the EU, thus making the EU tourism industry of particular importance. According to Eurostat statistics, the export of tourism services in EU-25 countries amounted to 280.118 billion euros in 2012 (Eurostat, 2013). Moreover, the net export of tourism of EU-25 countries amounted to 19.9 billion euros, providing additional evidence of the contribution of tourism to the EU's economy.

Tourism continually creates growing numbers of businesses and employment opportunities worldwide as well as in many European countries. According to Eurostat statistics, tourism includes 1.84 million businesses employing about 12–14 million of people (TourismLink, 2012). An average growth of 2.88% in international tourist receipts in EU over the period 2010–2012 outpaced the EU average GDP growth of 0.93% (Eurostat, EU member states GDP growth rates, 2013). This makes tourism important for the both employment opportunities and overall export revenues.

As an internationally traded service, tourism has become one of the world's major trade categories and fastest-growing economic sectors in the world; this

has become particularly evident recently (UNWTO, 2013). The growth rate of travel and services export in the EU-25 outpaced the export of goods during the period of 2004–2012, as shown in Figure 1.

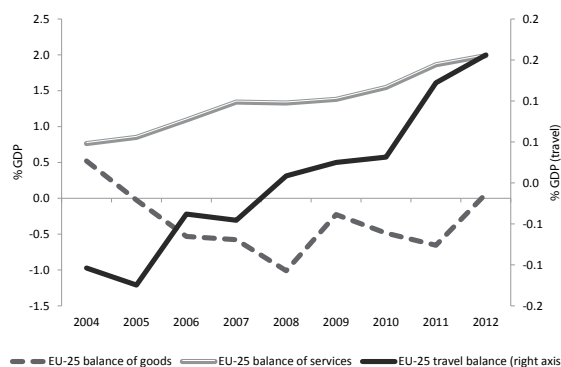


Figure 1 Trade Balance, Balance of Services, and Travel Balance Developments in the EU-25 Countries as a Percentage of GDP, 2004–2012

Source: AMECO database, own elaboration.

Furthermore, the composition of international trade is very closely related to the structures of economies. In recent decades, a considerable shift in structures of European economies has occurred. This is consistent with the global trend of a growing share of the tertiary sector, which is composed of services, in many economies. For instance, 25 member countries of the European Union have an average share of services as 59% in their economies over the period 2004–2012 (Eurostat, 2013; Bolotov et al., 2013).

Since this research is focused on European tourism, it is necessary to mention that international tourism has become an important industry for some individual European economies as it promotes export revenues and, therefore, may help to alleviate the pressure on their balance of payments (Ivanov & Webster, 2007). The large, persistent current account deficits in several European countries have led economists to examine the primary components of the balance of payments and possible measures to improve this situation. In many economies, tourism has been found to be a significant contributor to currency inflows and outflows. Therefore, European governments have recently strengthened support for tourism and consider this sector to have the potential to back economic recovery, given its capacity to distribute wealth and create jobs across the region.

### The Theories of International Trade

The significant role of international trade in the EU economies induces the need to explain the rationale of its existence and discuss the underlying theoretical background of this phenomenon. International trade is an integral part of countries' economies throughout the world and is a vehicle for companies to sell goods and services. It enables access to global markets for manufactured and agricultural goods, services and natural resources; therefore, international trade is an important determinant of a country's economic well-being. Over time, the structure of economies evolve and change, new industries emerge and significantly affect customers' demands. All these factors affect the composition of international trade, i.e. categories traded internationally. The emergence of the relatively new and fast-growing global economic sector of tourism reflects such changes.

Since countries evaluate the contribution of international tourism through their travel balances, an analysis of travel flows is made within the framework of international trade in this study.

The nature and the determinants of international trade have been extensively studied in the past, and multiple theories have emerged. The major models, such as those of Ricardian and Heckscher-Ohlin, represent the theoretical background in explaining the international trade in goods. More recently, however, service trades, including the travel sector, have been rapidly evolving. Tourism as an internationally traded service has become one of the world's major trade categories; Europe has retained the leading position in this category.

The theory of international trade is conceived as offering a universal explanation for trade flows. At the same time, the nature of tourism services is different from that of the goods on which the dominant models of international trade were formulated. Traditionally, general factors of production (land, labour and capital) provided the basis for these models. However, in the tourism sector, other factors, such as geography (which determines climate), natural and cultural attractions, are essential. Moreover, tourism products cannot be stored, and it is necessary to travel to consume them; therefore, it is heavily dependent on place.

Consequently, this study analyses whether the main theoretical models (e.g. Ricardian &

Heckscher-Ohlin) are suitable to explain the international trade in tourism services. In doing so, the application of the relevant indicators, such as the Balassa index, provides clarification on the comparative advantages of the European tourism sector. This indicator helps to answer the major question of whether the theories formulated for trade with goods are valid for trade with services. The application of international trade theoretical models to trade with tourism services is performed on the example of 25 EU countries, because Europe is one of the leading regions in the global economy and international trade. This is discussed and verified in the further sections of this study.

### Methods

In this research, 25 European Union countries were analysed. The choice of the countries was made because all of them have been EU members since 2004, which offers a consistent framework of harmonized statistical data for analysis for all countries.

All the data used in the present research was collected from the Annual Macro-Economic Database of the European Commission (AMECO), The Statistical Office of the European Union (Eurostat), and Organization for Economic Cooperation and Development (OECD) statistical databases (European Commission, AMECO, 2013; OECD, Statistics, 2013; Eurostat, 2013). Travel export is considered as a segment of overall export. *Nominal monetary values were used for relevant calculations in the study.* The software used for the data processing was Microsoft Excel. European travel industry statistics were analysed for the period from 2004 to 2012, due to availability of data as on 1 May 2014.

A balance of payments approach was employed for the purposes of present research (International Monetary Fund [IMF], 1993). The balance of payments (BoP) is a universal source of information that allows assessing the economic impacts of international tourism on European economies. Therefore, the BoP has a universal application for different countries and contains statistics of currency receipts and expenditures from international tourism. This approach provides a basis for assessing the economic impacts of international tourism on European economies.

The insights of major theories of international trade such as Ricardian and Heckscher-Ohlin (H-O) were used in tandem to determine the comparative advantages and structures of the selected countries' international trade as well as in order to test their applicability to the tourism sector (Krugman & Obstfeld, 2003; Leamer, 1995).

The United Nations Conference on Trade and Development (UNCTAD) releases measurements of comparative advantage of a given sector in national exports based on the Balassa index. Therefore, the determination of the comparative advantage in this publication was performed using the Balassa index (BI) (Balassa, 1989; Hinloopen & Marrewijk, 2001).

The BI as a product of the concept of revealed comparative advantage refers to the relative export performance of a country in a particular commodity trade. The notation 'revealed' is derived from the concept that the commodity pattern of trade would 'reveal' the comparative advantage of trading countries. This analysis was performed for EU-25 economies in order to determine whether tourism is a strong sector in a country's exports. In this paper, the Balassa index ( $B_{ij}$ ) is calculated as:

$$B_{ij} = X_{ij} / X_{iEU}$$

where  $X_{ij}$  is the share of product  $i$  in country  $j$ 's total exports and  $X_{iEU}$  is the share of the same product in total EU-25 exports.

The BI values higher than 1.0 show the existence of comparative advantage, and the BI values below 1.0 do not confirm this in the set of countries analysed. The BI considers only exports; it is also known as the export performance index. It is worth noting that some argue that the BI can be biased due to the omission of imports, especially when country size is taken into consideration (Greenaway & Milner, 1993).

## Results

International tourism is an important sector in the European economies, as a redistribution of wealth from the north to south has coincided with major tourist flows for many decades. For example, in Greece, Malta, and Spain, international tourism is a significant source of export earnings. In addition, it is necessary to state that international tourism is recognized as a significant segment in most of South European economies. At the same time, for the ma-

ior source markets for international tourism, such as Germany, Scandinavian countries and England, tourism represents only a small percentage of their total expenditures on imports of services, despite the large volume of outbound travel.

At all times, geographic location plays an essential role for the economy and trade relations, and the tourism industry is no exception. Until recently, there has been a lack of research focused on the examination of relationships between travel balances of countries and their geographic locations.

This study analyses the share of travel balances to GDP in relation to geographic location of EU-25 member countries over the period 2004–2012. It has revealed that the countries of Northern Europe, Germany, and the Netherlands have long-term negative travel balances, making them tourist-generating areas. In contrast, countries in Southern Europe as well as in Central Europe have demonstrated positive travel balances that show them to be tourist-receiving areas for the examined period of 2004–2012. This confirms the reality of tourist-generating areas and tourist-receiving areas, which is consistent with the concept of the geographical components of the tourism system (Boniface & Cooper, 2009).

The results are visualized in Figure 2, in which travel balance average values are plotted together with the countries' current account averages over 2004–2012. Both values were expressed as a share of the GDP.

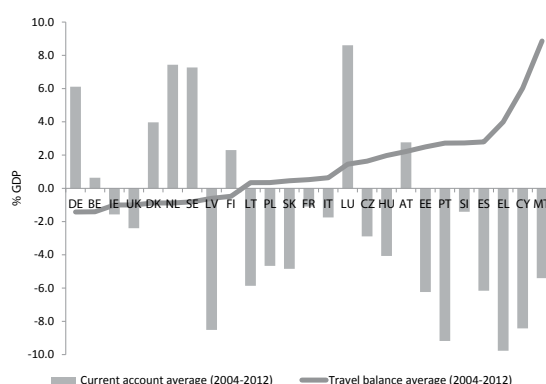


Figure 2 Travel Balances and Current Account as a Percentage of the Country's GDP, Annual Average, 2004–2012

In addition, countries abbreviations used in Figure 2 are provided in Table 1.

Table 1 The EU Countries Abbreviations

AT	Austria	EE	Estonia	HU	Hungary	LU	Luxembourg	SK	Slovakia
BE	Belgium	FI	Finland	IE	Ireland	MT	Malta	SI	Slovenia
CY	Cyprus	FR	France	IT	Italy	NL	Netherlands	ES	Spain
CZ	Czech Republic	DE	Germany	LV	Latvia	PL	Poland	SE	Sweden
DK	Denmark	EL	Greece	LT	Lithuania	PT	Portugal	UK	United Kingdom

Additional findings can be drawn from Figure 2. The most favourable average travel balance to GDP is achieved by Spain (2.8%), Greece (4.0%), Cyprus (6.0%), and Malta (8.9%). Moreover, tourism is an important item of export in those economies. The above-mentioned four countries showed average share of travel on total exports as follows: Spain (15.0%), Greece (23.4%), Cyprus (26.0%), and Malta (14.0%). At the same time, these four countries had negative current account, due to the significant import of goods. However, positive travel balances enable to partly mitigate the adverse impacts of foreign trade balances in the aforementioned countries.

On the other side are countries such as Germany and the Netherlands, where a negative travel balances and positive current account were found. The average share travel balance and current account to GDP for Germany were -1.4% and 6.1%, and for the Netherlands -0.9% and 7.4%, respectively. These countries are typical examples of highly diversified export-oriented economies, where the high volume of export of goods outweighs negative travel balances. Moreover, in Germany and the Netherlands, tourism constitutes only a small proportion of total exports of 2.4% in average.

The least favourable situation for both the travel balances to GDP and current account was found in United Kingdom. This economy had negative values in both trade and travel balances, which indicate the excess of imports in goods and tourism over exports.

Finally, only two EU economies (Austria and Luxembourg) had both positive travel balances and current accounts. In the case of Austria, the positive travel balance of 2.2% to GDP and current account 2.8% indicates diversified exports, for which tourism had about 10% share on the total exports. At the same time, Austria had a more than a 70% share of goods

in exports in contrast to Cyprus, which had only a 17% share of goods in exports. Luxembourg gained enormously from its geographical location, which enabled it to remain in positive values of both trade and travel.

The explanation of this unequal travel balances in EU-25 is provided in connection to the comparative advantage calculations.

#### Comparative Advantages in Travel Export

In connection to the first finding that geographic location, to a certain extent, determines travel balances in EU-25 countries, this research examines whether the countries recognized as tourist destinations have comparative advantages in the export of travel and whether they use them. Throughout the past two centuries, comparative advantage theory has remained one of the principal explanations of existence of international trade.

An analysis of the relationship between comparative advantage and the share of tourism in overall exports will reveal the countries in which tourism is an important trade category. For the purposes of assessing the comparative advantages in travel exports, the BI was employed.

The BI enables finding the revealed comparative advantage in certain segments of exports calculated for an individual country in relation to the reference group of countries subjected to the analysis. The nature of the BI aids in distinguishing countries in relation to share of export of travel to overall exports. As a result, the existence of two groups of countries was found: those that have index values higher than 1, and those with the values below 1.

Figure 3 demonstrates the BI average values for travel and goods along with the shares of overall exports of goods, services to GDP and exports of trav-

el to GDP for 25 EU countries over the period 2004–2012.



Figure 3 Composition of Export and the Balassa Index for Export of Goods and Travel, Annual Average, 2004–2012

Source: Eurostat, own elaboration.

The highest values of the BI for the travel sector were found for Cyprus, Greece, Spain, Portugal, Austria, and Malta. North European countries have the lowest BI values and, therefore, do not possess comparative advantages in export of travel.

The relationship between the BI values and travel exports was analysed. Statistical analysis provided a strong and significant positive correlation between travel exports and the BI values with the correlation coefficient 0.67.

In addition, it is evident from Figure 4, that countries with the higher values of the BI for travel simultaneously have lower shares of goods in their exports. Statistical analysis revealed a strong negative correlation between the BI values for export of goods and BI values for export of travel. The correlation coefficient is -0.66.

These results are consistent with the Ricardian and H-O theory of international trade proposing that a country specializes in those kinds of export categories for which it has a comparative advantage. Therefore, Figure 4 confirms that the countries that have comparative advantages in travel exports do not have them in exports of goods.

At the same time, comparative advantages expressed in BI values represent just a prerequisite for exports of particular items. Therefore, this study has verified whether the countries recognized as tourist destinations in fact do use their comparative advan-

tages in the export of travel. This was calculated as the relationship of travel export to the total export.

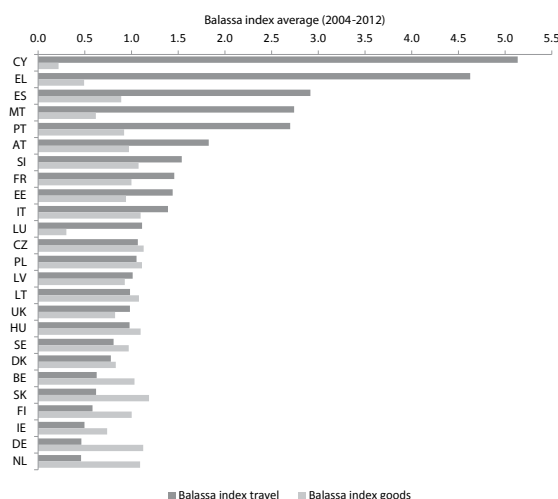


Figure 4 EU-25: The Balassa Index for Export of Goods and Travel, Annual Average, 2004–2012

Source: Eurostat, own elaboration.

The share of travel export to the total export in EU-25 countries over 2004–2012 is provided in Figure 5.

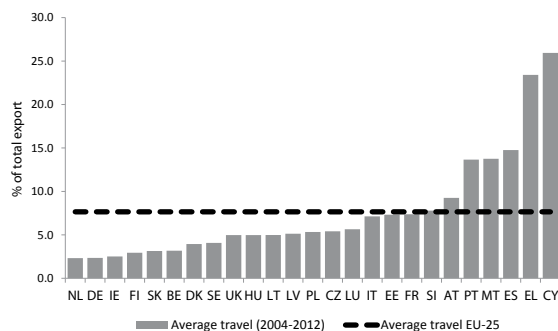


Figure 5 Average Share of Travel Export in Total Exports over the Period 2004–2012

Source: Eurostat, own elaboration.

Cyprus and Greece possesses the highest share of tourism in their overall exports, followed by Spain, Portugal and Malta. To a certain point, this confirms the use of comparative advantages for tourism exports, but it simultaneously highlights the risk of limited numbers trade categories in their exports.



These results for EU-25 countries show that comparative advantages as well as the export of tourism services are particularly dependent on geographic location.

## Discussion

As a dynamically evolving segment of international trade, tourism has attracted considerable attention due to its growing significance to national incomes, employment opportunities and overall regional development.

Europe has the leading position in terms of international tourism receipts, expenditures and international tourist arrivals. The BoP implications of tourism are particularly important for certain European countries.

Emerging evidence reveals the positive correlation between exports of goods and tourism services and long-term economic growth (Cortés-Jiménez, Pulina, Prunera, & Artis, 2009; Santana-Gallego, Ledesma-Rodríguez, & Pérez-Rodríguez, 2011). In the existing literature, inbound tourism is considered to be a source of foreign capital necessary to promote economic growth. Since Nowak et al. (2007) proposed the model that describes the mechanism of transmission of economic growth from the tourist-generating areas to the tourist-receiving countries through trade, the crucial role of international trade for the country's economic development becomes evident. This evidence appears to be universal, as a recent study by Santana-Gallego et al. (2011) has confirmed the complementarity between tourism and trade in OECD countries.

However, until now, very limited research has been done in assessing the link between geographic location, the comparative advantages of countries for tourism development and their tourism balances.

This study is focused on estimating the role of international tourism in EU-25 economies within BoP. Our findings suggest that countries' geographic location is connected with the existence of comparative advantages and may predetermine the share of tourism in their total exports. The analysis performed in this study has revealed that tourism has the potential to helping certain South European economies to partially stabilize their current accounts. This effect toward current accounts occurs at least in the short run, it was examined in travel balances for the

2004–2012 period. This research also provides confirmation of an important theoretical assumption between the long term structural changes in economies and economic growth (Mihov, 2011). The contribution of tourism to the structural changes could be observed using the example of tourism development in Cyprus and Greece. Over the past six decades, these countries have experienced a substantial shift in their economies' structure from the primary sector to the tertiary sector, with tourism playing an essential role. For these economies, tourism represents a relatively new industry that changed the structure of exports and led to the growth of their economies as well as GDP per capita. Likewise, several recent studies have confirmed the positive effects of the tourism industry toward the economic growth in several Mediterranean countries (Dritsakis, 2012; Celik, Ozcan, Topcuoglu, & Yildirim, 2013).

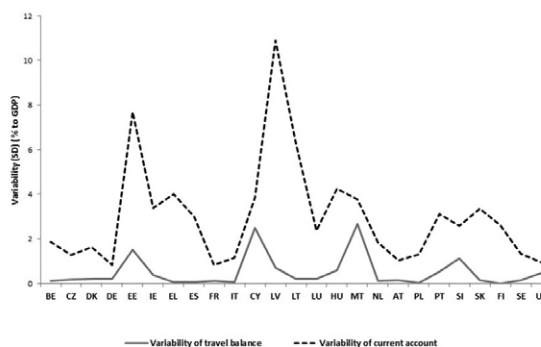


Figure 6 Variability of Travel Balance and the Current Account in the EU-25, Annual Average, 2004–2012

Source: Eurostat, own calculations.

The stabilizing effects of tourism have also been proven by the recent economic crisis, when the variability of current accounts has risen substantially; while the travel balance has simultaneously remained almost constant. In this case, variability for both the travel accounts and the current accounts was evaluated using the standard deviation average values of balance of travel to GDP and the current account to GDP for EU-25 economies over the 2004–2012 period. According to the author's calculations, the average variability expressed as the average standard deviation (SD) for the EU-25 current account was 2.8, whereas for the travel account it was 0.4 through-



out 2004–2012. The variability of travel balance was the highest for Cyprus and Malta, and the lowest occurred in Italy and Finland. Figure 6 provides visualization of calculations discussed.

In this research, the insights from the neoclassical Ricardian and H-O models are used in order to build a better understanding of what determines the number of export items. The abovementioned models explain the idea that countries specialize according to comparative advantages, and their exports match such specializations. Therefore, according to these models, countries will export goods and services that use their abundant and cheap factors of production and import products and services that use the countries' scarce factors.

Since this research is focused on international tourism and its role in BoP in 25 EU economies, the inclusion of BI was employed in order to confirm theoretical assumptions and to identify comparative advantages. Our results confirm the relationships between geographic location, the comparative advantages for the development of tourism, and the share of tourism in total exports in countries analysed, as provided in Figure 3. Countries with favourable travel balances show the higher shares of tourism in their exports, whereas countries with negative values of travel have smaller exports of tourism.

For instance, the comparative advantages for development of the tourism sector are the highest for Greece and Cyprus. This assumption was proven by present research; it was found that tourism has a major share in the structure of services in their economies and in their exports. In addition to the comparative advantages, the size of the economy can (to a certain extent) influence the export of travel services. For instance, in case of Spain, despite the high comparative advantage for export of travel services, tourism appeared to be less important in the structure of the Spanish economy and overall exports. In this case, the size of the Spanish economy plays the decisive role, as a bigger economy has more diversified exports compared to smaller economies, such as Greece and Cyprus. This occurs despite the location and high comparative advantages as shown in Figure 3. Tourism statistics for 2012 show an estimated 57.7 million tourists in Spain, but only 2.5 million tourists in Cyprus and 15.5 million in Greece (UNWTO, 2013). However, in this case, the size of the economy

and the tourist market play a decisive role. The smaller numbers of tourist in Greece and Cyprus represent higher shares in comparison to Spain.

This is consistent with the economic literature that supports the existence of a link between the size of the economy and its possible effects toward the number of goods and services categories produced in a country as well as the overall structure of export (Mihov, 2011). It is logical that the growing number of categories of products in a country's exports or diversification of exports may lead to a decrease in the significance of travel exports in the overall export. This is consistent with our findings when we examined the structure of exports of services within the BoP of EU-25 countries.

Unlike small South European economies, developed countries, such as Germany and Netherlands, have highly diversified exports. The diversification of exports has positive relationships to the stability of the country's total income, such as decreased earnings from certain exporting items due to the changing world economic conjuncture are being compensated by the other items.

According to the statistical data, the share of tourism in most of the countries of the Western and Northern Europe is smaller comparing to the South Europe. These countries are recognized as tourist-generating areas and have negative travel balances. However, due to the higher extent of export diversification, tourism does not play as an essential role for those countries, as compared to certain Mediterranean countries.

Finally, tourism is also recognized as an investment opportunity. According to the principles of BoP, in the case a current account is negative it should be balanced by the capital inflow, such as foreign direct investments (FDI), found in the financial accounts of BoP. In general, FDI are allocated into different sectors of the economy, including tourism. Moreover, FDI are also recognized as important drivers of growing services share in many economies (Aslan, 2013).

According to the OECD database, inward FDI in hotel accommodation and restaurants are the biggest investment flows related to the tourism industry. Due to available statistics for the 2004–2011 period, more than US\$ 16.8 billion were invested into the tourism industry in 15 EU countries (OECD, FDI flows by in-

dustry, 2013). Among the countries with the highest inflow of total FDI into hotel accommodation and restaurants were Italy and Spain, with more than US\$ 3.6 billion and US\$ 3.5 billion, respectively, for the period analysed.

Therefore, in contrast to the investments in capital markets, tourism could be a competitive and safer option for investors due to the positive development of travel balances in recent years in many European tourist destinations. For instance, this could be supported by the constant positive inflow of FDI into the hotel and restaurant sector that occurred in Greece during the 2004–2011 period, when it received more than US\$ 250 million. Despite the problems in the economy, tourism here remains the major item in the export of services, helping to maintain a positive balance of services. This, to a certain extent, mitigates the adverse impacts of negative trade balances.

Recent statistical data shows that investments in tourism and in the hotel sector in particular, remain robust despite the sluggish EU economy over 2012 and 2013. During the past decade, Southern European countries have been receiving more investments in the tourism sector than the EU on average. Moreover, countries such as Malta and Portugal did not show any decline in investments in the travel industry during the crisis in 2008–2009, whereas the other sectors of their economies experienced considerable declines in investments (OECD, FDI flows by industry, 2013). This information provides additional support for the possible effects of comparative advantages for the travel industry and the performance of hospitality businesses in certain countries.

## Conclusions

In recent times, tourism as an internationally traded service has become one of the world's major trade categories and fastest-growing economic sectors in the world. Notwithstanding renewed interest on the impacts of tourism into European economies, the empirical evidence in this field remains limited.

The original contribution of this study is that it extends the empirical literature in verifications of the applicability of the classic theories of international trade to the tourism sector. Moreover, it considers international tourism within the balance of payments and reveals that the tourism share of GDP and exports is related to the existence of comparative ad-

vantages. The results of the analysis prove that comparative advantages to a large extent determine the tourism flows in the EU countries, providing strong support for the validity of the major theories of trade for the travel sector. In the context of the Ricardian and Heckscher-Ohlin models, it has been shown that comparative advantages and factor endowments are key determinants of international trade as the exports and imports of travel reflects them. Moreover, it was found that geographic location was also an important contributor to the nation's comparative advantages. This is reasonable, considering that geography and hence climate can be hardly replaced, thus allowing tourism to develop according to existing comparative advantages.

It can be concluded that the role of tourism in the EU-25 economies broadly varies and is related to the comparative advantages that determine the share of tourism in total exports and the travel balances of the country. This study can provide a new insight into tourism as an important export industry for certain European countries.

In conclusion, it is noteworthy that tourism as category of international trade represents an important phenomenon for future research. However, to date, the lack of harmonized statistical data has represented the main obstacle for doing such research on a global scale. Considering the possible limitations of the study, it is necessary to mention that trade flows are not merely the result of underlying comparative advantages but are also the result of other factors, such as trade policy interventions, implemented by governments. Trade policy, such as import tariffs, may influence both imports and exports. For the trade in goods, these interventions could influence the measurement of comparative advantage. However, the tourism sector does not typically experience protectionist measures, such as import tariffs or quantitative restrictions. It can be concluded that to the extent that the tourism sector is free of regular subsidies, we may expect that the measurement of comparative advantage provides a more accurate picture than for physical goods.

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## Influences on and Effects of the Innovation Processes in the Hotel Industry – Literature Review 2008–2013

**Nataša Artič**

*University of Primorska, Ph.D. student at Faculty of Tourism Studies - Turistica  
natasa.k.artic@gmail.com*

**Purpose** – The purpose of this paper is to identify current research in the literature regarding different influences on and the effects of the innovation process in the hotel industry in the previous five years and to analyse data on the basics of research questions.

**Methods** – The method applied in the paper applied is the “systematic literature review” of a limited time frame (the previous five years) in the field of innovation in the hospitality industry.

**Results** – This paper improves knowledge of the influences and effects of innovation in the hotel industry in general (presentation in Figure 1); it presents the latest influences on and the effects of the innovation process from literature (presentation of literature review in the Table 1) and it gives particular attention to special approaches (such as open innovation) regarding upcoming trends in innovation activities in the hotel industry.

**Conclusion** – A survey of different research examples of innovation processes in the hotel industry will show different approaches to innovation through different influences and effects. The findings add to the knowledge of hospitality innovation; supported with the effects, they show potential for the company's performance. The survey also provides information about open innovation to the hotel industry as a future trend in hotel innovation processes. Further research is needed regarding the development of open innovation in the hospitality industry, as the financial pressures in hotels increase and the search for an innovative and sustainable influences or effects on companies' performance will continue. The originality of this paper is in its systematic literature review of the previous five years.

**Keywords:** innovation, open innovation, hotel industry, influence, effect

### Introduction

In the twenty-first century, innovative cultures continue to advance over routinized cultures. The importance of innovation for the success of an individual, company, region, country, or a particular activity is continually increasing. The gap between prosperous countries that foster innovation and less successful countries where innovation is not being encouraged is obvious (Florida, 2005; Mulej, 2008).

According to Pivcevic and Petric (2011), in recent years, the analysis of innovation in tourism has become an increasingly important issue in discussions regarding tourism policy and development; according to Hjalager (2010), it is helpful to understand its economic dynamics and, in this regards, several authors have studied different facets of hotel innovation: Jacob, Florido, and Aguiló (2010) examine environmental innovation as a competitive factor; Smerecnik, and Andersen (2010) examine the

dissemination of environmental sustainability innovations in hotels and ski resorts; Fernández, Cala, and Domecq (2011) identify critical external factors that influence innovation; Weng, Ha, Wang, and Tsai (2012) explore customer satisfaction in relation to service innovation and customer value; Krizaj, Brodnik, and Bukovec (2012) present a tool for measuring the newness and adoption of innovation in tourism firms; Mattsson and Orfila-Sintes (2012) explore the dynamics of hotel innovation and its impact on hotel performance; Nicolau and Santa-Maria (2013) analyse the effect of innovation on hotel market value; Tajeddini and Trueman (2012) investigate the link between corporate culture, indicators of innovativeness and business performance in the hotel industry; Hashim, Murphy, Purchase, and O'Connor (2010) explore the relationship between hotel characteristics and Internet adoption; Huang and Chen (2010) examine effects of technological diversity and organizational slack on innovation performance; Chang, Gong and Shum (2011); Chen and Cheng (2012), and Martinez-Ros and Orfila-Sintes (2009) analyse innovation through human resource and customer relationship management practices; Chen (2011) examines relationships among service innovation culture, proactive personality, charged behaviour and innovation.

According to Hertog, Gallouj, and Segers (2011), studies on innovation in the hospitality industry are mostly rooted in either innovation or entrepreneurship studies within hospitality and tourism or studies on innovation in services. The first of the two streams refers to an extant industry-specific literature, covering various aspects, levels of analysis and points of departures for analysing innovation in the hospitality and the related tourism industry.

Most hotel managers realize that innovations, whether in service models or customer relation management, are the essence of success in modern hotel operations (Chen, 2011). However, the innovation process also influences the value of the hotels, as shown by research work of Tseng, Kuo, in Chou (2008), stating that "effective management of technical, organizational and human capital, accelerates innovation [in the] hotel company and also an innovative company outperforms other competitors in the industry".

Searching with the term "innovation and hotels" on the Google search engine in June 2013 yielded 69,100,000 hits; there were 418,000 on Google Books and 123,000 on Google Scholar. Based on the increasing amount of information and data on this topic and its importance as a result of the development of innovation in the hotel industry, this paper was designed with the purpose of identifying the most current resources in the area of influence on and effect of innovation in the hotel industry in the past five years and, on the basis of the following criteria (research questions), to analyse data from previously published sources. The aim was to create a basis of the theoretical proposal of special approaches to the innovation processes in the hotel industry. Our central research question, therefore, discusses the significant influences on and the effects of innovation in the hotel industry, considered by literature in the last five years. Below, we have attempted to answer it through meta-analysis and research sub-questions.

### Methodology

This paper is based on a database and literature review on the subject. The literature review provided information on the state of research, on scientific definitions of innovation in the hotel industry from a general perspective, and on special approaches to innovation in the hotel industry in particular.

The methodology includes a combination of research methods with an emphasis on meta-analysis, which Kastrin (2008) describes as "a special form of statistical analysis by a very thorough protocol in which a systematic manner the results of mutually independent studies are combined" (p. 25). According to Kastrin (ibid.), meta-analysis refers to the statistical analysis of a large collection of independent observations for the purpose of integrating results. The benefits of meta-analysis include the more efficient exploitation of existing data from independent sources and contributions to more powerful domain knowledge. It may also serve as a support tool to generate new research hypothesis.

In order to find an answer on our central research question, a variety of literature covering primary, secondary and tertiary sources was reviewed. Sourcing was done by inspecting the data obtained from online databases in the period between March and June 2013. The baseline survey was published in ear-



ly 2013 by the authors Nicolau and Santa-Maria with the title: "The effect of innovation on hotel market value".

As a fundamental research problem, we are interested in the major influences on and effects of innovation in the hotel industry, considered by literature in the last previous years. For the purposes of meta-analysis, we will attempt to answer the research problem through the following three sub-questions:

1. Who are the authors and which topics are explored in the field of the influences and effect of innovations in the last five years and the hotel industry?
2. What is the geographic area where the surveys on the influences on and the effects of innovation in the hotel industry were carried out?
3. What influence or effect could be identified as the basic special approach to innovation in the hotel industry?

The research questions represent grading criteria on the basis of which the resources will be analysed. The selection of resources will be done on the basis of their ranking and analysis, which will include inductive and deductive methods, a method of analysis and synthesis, a descriptive method, and a method of compilation and comparison.

The answers to the research problem are presented in the discussion. Limitations of this meta-analysis are related to doubts that the data on some resources included in the selection can be compared directly, either according to the form or according to quality.

## Research and Discussion

Business development in the twenty-first century is accompanied by globalization, economic recession and other continuous changes that require rapid adjustments of the business environment. One of the most important factors that affects economic strength is the ability to successfully manage innovation.

According to Crossan and Apaydin (2010), two main dimensions of innovation can be recognized: innovation as a process and innovation as an outcome. However, in the Slovenian language, there are different terms for each dimension (we use the term "inoviranje" for a process and the term "inovacija"

for the outcome of this process). According to Mention (2012), innovation as a process focuses on the drivers (motivation for innovation), sources (inputs for innovation) and location (where innovation happens) of innovation. Innovation as an outcome pertains to the type of innovation (product, process, organizational, marketing), the magnitude (incremental or radical) and the referent (firm, market, industry). According to Mention (2012), the performance of innovation has been defined as a multidimensional concept, encompassing financial and non-financial aspects.

Our research is focused on latest theory developments on the different influences that affect the innovation process and the different effects of the innovation process in the hotel industry.

## Influences on Innovation Process in the Hotel Industry

In this section, we present the main inputs or influences on the process of innovation in the hotel industry. A literature review was developed in thematically linked sets, which are presented below on the basis of criteria from the general to the specific influence.

### Five General Influences on the Innovation Process in the Hotel Industry

As the hotel industry is an important part of the tourism industry, so too is tourist activity deeply involved as an important co-creator of internationalization. According to Williams and Shaw (2010), internationalization has a fundamental influence or impact on the innovation process in the hotel industry.

In their research, Williams and Shaw (2011) explore how the relationships between innovation and internationalization can be conceptualized, by stating that "innovation theories can provide insights into the driving forces, nature, and processes of internationalization, and internationalization is an essential dimension of tourism innovation, evident in terms of markets, knowledge transfer and production conditions" (p. 27). There are several ways in which internationalization constitutes innovation in tourism (and consequently also in the hotel industry). "One of the main axes is how firms innovate in respect of ownership of, and extraction of rent from, their assets, whether in material, brand, or intellec-



tual property terms. In the internationalization processing, marketing, organization and institutional innovations may be more important than product innovations” (p. 30).

Under the second general influence, we present current problems that are affecting the innovation process in general and which are applicable to the hotel industry. According to Nicolau and Santa-Maria (2013), in general terms, four problems still affect innovation management and its current practice: the human problem of managing attention; the process problem of managing ideas into profit; the structural problem of managing partial-whole relationships; and the strategic problem of institutional leadership. Further research is suggested, with the main question being what kind of influence hotel managers need so that the solutions for the abovementioned problems will result in successful firm performance.

The third general influence on the innovation process is the influence of information and technology. In particular, information and communication technologies (ICT) can provide competitive advantages by improving a firm’s knowledge of its own internal structures and of the environment in which it operates. Fernández et al. (2011) in their study, therefore, identify and analyse the critical external factors that influence innovation and ICT investment in hotel businesses by evaluating the impact of hotel investment strategies. The methodological approach is an adaptation of the PESTEL model to the particular case of hotel management. This model identifies the factors (political, economic, social, environmental, technological and legal) that affect any given organization. The authors also apply Porter’s “five forces model”, which assesses the competitive environment in which firms act, taking into account the power of buyers, intermediaries, current and potential competitors and substitutive products. We also need to mention the effects of technological diversity, which were examined by Huang and Chen (2010) in their research on the effects of technological diversity and organizational slack on innovation performance. The results indicate that there is an inverse relationship between technological diversity and innovation performance. Moreover, the moderating role of organizational slack is recognized; absorbed slack positively moderates while unabsorbed slack negatively moder-

ates the effect of technological diversity on innovation performance.

The fourth general influence on the innovation process in the hotel industry is linked to company and market characteristics. For example, Martínez-Ros and Orfila-Sintes (2009) provide evidence for different innovation activities in the hotel industry. In particular, they explore the influence of a variety of firm and market characteristics on radical and incremental innovations. They consider the learning of new attributes (radical) and the addition of characteristics to existing attributes (incremental) to represent two different paces or degrees of managing the innovation process in this specific industry. Their main conclusion is that radical and incremental innovations appear to be interrelated. Furthermore, the primary determinants of innovation are the form of hotel management, the hotel market strategy, and the size and location of the hotel.

The status of the firm is another characteristic; according to Schulz (2008), mergers and acquisitions are both instruments for growth and competitive advantage with regard to innovation. Therefore, they are fundamental to each firm’s competitive strategy. Unfortunately, only few studies available focus on the interplay of these two instruments. Schulz’s main conclusions state that generalizing principles cannot be supported with sufficient scientific rigor. However, in-depth studies of specific industries are called for, from both theoretical and empirical perspectives. We found a study older than five years, by Cassiman, Colombo, Garrone, and Veugelers (2005), which shows that dimensions, such as similar product markets, similar production technologies or similar science-based research, are necessary in order to assess the impact of a merger on innovation.

Focusing only on organizational innovation, Mol and Birkinshaw (2009) find that their introduction is affected by contingent factors (size, geographical scope of the market). The level of education of the workforce and the variety of information sources to which the firm has access also influences the introduction of organizational innovations. Their findings indicate that such innovation coincides with higher future performance, in the form of productivity growth.

The fifth general influence on the innovation process in the hotel industry is the influence of hu-

man resource management (HRM) and customer relationship management (CRM). There is a variety of studies showing that HRM influences the innovation process. In their study, Chang, Gong and Shum (2011) investigate how hospitality companies can promote incremental and radical innovation through human resource management practices (i.e., selection and training). Their data show that hiring multi-skilled core customer-contact employees and training core customer-contact employees for multiple skills have both significant and positive influences on incremental and radical innovation among hotel and restaurant companies. The two human resource management practices were also found to have a negative joint impact on incremental but not radical innovation.

To date, there has been relatively little substantive research focusing on these issues. Hu, Horng and Sun (2009) present how knowledge-sharing and team culture have been found to have a significant influence on service innovation performance. The main overall practical implication that can be drawn from the findings of the survey is that to achieve high service innovation performance, organizations first need to develop knowledge-sharing behaviours as well as better team cultures.

#### Interactions of Various Factors that Influence the Innovation Process in the Hotel Industry

Not only do different aspects influence the innovation process, they may also affect each other. Measuring innovation seems to be an important issue, given that there is a large amount of literature about this topic. Several authors (e.g. Schulz, 2008; Hu et al., 2009; Mol & Birkinshaw, 2009; Huang & Chen, 2010; Williams & Shaw, 2010, 2011; Chang et al., 2011; Hertog et al., 2011; Fernández et al., 2011; Nicolau & Santa-Maria, 2013) discuss and analyse different influences on the innovation process. Martinez-Ros and Orfila-Sintes (2009) extensively measure and analyse innovation in the hotel industry; for example, the determinants of incremental and radical innovations and how the two affect each other.

To identify the processes that ensure excellent service and innovative performance, Chen's (2011) research work examines the relationships among service innovation culture, proactive personality, charged behaviour and innovation. His work

contributes to the service innovation literature by demonstrating that environmental forces outweigh individual forces in shaping innovation behaviours. The growing competition arising from burgeoning global markets exacerbates the demand for hotels to innovate their services and processes in order to continuously ensure success. Furthermore, tourists are increasingly seen as active participants in the co-production of innovation in tourism. This leads to our theory of the new influence on innovation in the hotel industry that can be addressed as a special approach. Williams and Shaw (2011) claim that tourists often act as pioneers, signalling opportunities for tourism businesses. They are sources of knowledge, and there is a need to understand both how this differs from "domestic" tourists and how businesses can harvest and apply this knowledge to innovation. Joint efforts towards human, structural and relational capital development lead to higher overall levels of innovation and performance, including in non-knowledge-intensive businesses, such as the lodging sector (Tseng et al., 2008).

Different influences can be related to each other differently, and the result of their action is reflected in the effect of the innovation process. Below, the most common effects (from literature) of the innovation process in the hotel industry are presented.

#### The Main Effects of the Innovation Process on the Hotel Industry

In this section of the paper, we would like to present the main outputs or effects of the innovation process on the hotel industry. The introduction to the chapter discusses the importance of measurement of effects in the innovation process. The paper of Hertog et al. (2011) illustrates that the level of innovation in this service industry is much higher and more varied than regularly reported. It further indicates that innovation activities in so-called low-tech industries can be put into practice with less formalized forms of (service) innovation management. Finally, it shows that higher innovation intensity is associated with better firm performance. Based on this, some implications for managing innovation in the hotel industry are discussed in their paper and some fundamental issues in the measurement of service innovation are raised. They see the need for more specific innovation measurements in the hospitality and other

service industries, and they make some suggestions regarding measuring service innovation in the hospitality industry. If service innovations are to be taken seriously by innovation researchers, policy-makers and statisticians in the near future, greater sensitivity to the particular characteristics of service innovation is needed. We need to map, measure and analyse service innovation in greater detail and subsequently translate these into an enlightened innovation policy and innovation management practices, following the synthesis approach.

Notwithstanding the need to define the measurement of the innovation process, three main effects will be further identified, encompassing financial and non-financial aspects and taking into account the fact that all effects lead to higher firm performance. The first is the direct impact on business performance, followed by the effects of the development of HRM and CRM, while the third effect is the effect of sustainability, which contains economic point of view and leads to the positive business performance.

#### Direct Effects of the Innovation Process in the Hotel Industry on Firm Performance

While researchers have explored the relationship between customer orientation, entrepreneurship and innovativeness with business performance in different organizations, few such studies exist on the hotel industry. Tajeddini (2010) investigates the potential influences of these variables on hotel industry performance. The findings simultaneously provide some new insights by exploring customer orientation and innovativeness and reveal how these factors impact the performance of the hotel industry.

In the article of Ordanini and Parasuraman (2011), the authors invoke insights from the emerging service-dominant logic perspective and propose a conceptual framework for investigating the antecedents and consequences of service innovation. They test their proposed model using data from a sample of luxury hotels and find that collaborating with customers fosters innovation volume but not radicalness; a firm's customer orientation (both directly and in interaction with an innovative orientation) contributes to innovation radicalness; collaborating with contact employees enhances both innovation volume and radicalness; the use of knowledge integration mechanisms contributes to innovation rad-

icalness (but not volume); and innovation outcomes have significant but somewhat different effects on the two performance measures.

According to Nicolau and Santa-Maria (2013), the assessment of innovation on firm performance has generally been carried out through accounting measures that rely on figures that appear in the company's balance sheet and income statement. Aldo Orfila-Sintes and Mattsson (2009) measure performance through average occupancy rate and attempt to explain it by employing historical data on innovation (specifically, an aggregated measure of innovation over the previous three years). These authors attempt to identify the determinant factors that lead hotels to choose from four different types of innovations (service scope, back-office, management and external communication), and find that additional services on offer, bookings made through tour operators, hotels being part of a hotel chain and hotel ownership are explanatory factors of the types of innovation decisions. Additionally, they study the impact of innovation on performance. In this analysis, they test the effect of the aforementioned types of innovation on the average hotel occupancy rate, finding that greater performance is achieved by hotels with a network of business relationships with both tour operators and chains, and whose ownership is in total control of outlays and new services. In general terms, they find (as expected) a positive impact of innovation on performance. On the basis of an earlier developed model of innovation types, Mattsson and Orfila-Sintes (2012) investigate the effect on performance of different types of innovation and find that two combinations of innovation types impact hotel performance in a positive way: full innovation and service&back-office innovation. They, therefore, suggest that these combinations be used to create synergies for hotel performance. In order to explain these findings, the arguments are as follows. To increase performance, a concerted effort must be carried out (Roberts & Amit, 2003). The choice can be between an integrated effort, including all innovation types (dull innovation) or a focused approach aiming at improving the core of hotel operations by combining service&back-office innovation types. In terms of the model and estimations, the latter combination had a greater impact on hotel occupancy, which suggests that it may be a good idea for small hotels to start

with a focused approach directed at the core service portfolio and back-office efficiency. The full innovators were on average significantly larger in size than the focused innovators. Therefore, there could be two productive kinds of innovation type combinations: one holistic, used by larger hotels, and one focused, carried out by smaller hotels.

Research into innovativeness and customer orientation in the service industry is burgeoning, yet understanding of the antecedents and consequences of both activities in hospitality management remains unclear. To address this problem, Tajeddini and Trueman (2012) investigated the link between corporate culture, indicators of innovativeness and business performance. They suggest that cultural dimensions are positively associated with customer orientation, innovativeness, and company performance.

Not only the general effect on firm performance but also the effect of innovation on hotel market value was analysed due to the research of Nicolau and Santa-Maria (2013). With a different approach, this article relies on market value. Market value has the advantage that it is based on growth prospects: assuming that shareholders behave rationally, share prices should reflect the present value of future cash flows and, therefore, it constitutes a good indicator to measure the impact of innovation activities on firm performance. Market value is defined as a product of a number of shares by the share price, which is considered to be the best unbiased estimate of the value of any investment. In an efficient stock market, share prices reflect all the available information on the company. In fact, any information received by the market (e.g. on innovation activities) will be instantly incorporated into the share price. The research results show that innovations are perceived to have a positive impact on the future sales of the company, and that each innovation needs to be treated differently and individually, not only between but within categories, on account of cost differences among innovations.

Pivcevic and Petric (2011) focus their paper on innovation in Croatia; the results of empirical research show that Croatian hotels are only moderately innovative. They can be grouped into two clusters (high-innovative and low-innovative) whose innovation activity is statistically different. The research indicates that service innovations are the most com-

mon innovation type, followed by marketing innovation. Contrary to previous research, organizational innovations are found to be at the lowest level. It can be concluded that there is a place for improvement in all areas of innovation, especially organizational ones. Furthermore, the relationship between the innovation activity and hotel performance was investigated. It showed that hotels with higher innovation activity experienced lower decreases in occupancy percentage change/decline compared to the previous year. Furthermore, the results show that the hotels belonging to the high-innovative cluster record higher positive effects of innovation activity in all observed areas/aspects of their business. These two findings demonstrate the importance of innovation implementation in the hotel business.

The results suggest that hotel managers need to rethink and reinforce their innovation efforts in all four areas in order to increase the competitiveness of their business. Regulatory bodies should also reconsider their actions and activities needed to stimulate such behaviour.

#### Human Resource Management and Customer Relationship Management Effects of the Innovation Process in the Hotel Industry

While business operators in the hotel industry manage to provide consumers with comprehensive facilities and quality services, they are increasingly concerned with the willingness of consumers to repeat or continue their patronage, i.e., customer repurchase intention. Therefore, business operators must consider how to attract consumers in the formation of their management strategies to remain competitive within the industry. The empirical study of Weng et al. (2012) was conducted with a survey of consumers to explore customer satisfaction in relation to service innovation and customer value. The results of this study indicate that both service innovation and customer value have significant positive correlations with customer satisfaction, and that service innovation has a significant intervening (or moderating) effect on the relationship between customer value and customer satisfaction. It suggests that higher customer satisfaction arises when hotel customers perceive higher customer value and higher service innovation.

Vila,ENZ, and Costa (2012) carried out another study, considering a framework that includes four types of innovation (i.e., product innovations, process innovations, enhanced knowledge of market, and management innovations). The survey found that the hotel chains focused their greatest innovation efforts on improving the management; however, the innovations, the most frequently used are mentioned above, involve enhanced knowledge of the market, including the use of new sales channels and communication improvements.

The survey of Lee, Chen, Tsui, and Yu (2013) studies the relations between open innovation (for a definition of open innovation, see the third paragraph of Chapter "Open Innovation as a Special Approach with the Specific Influence on and the Effect of the Hotel Innovation Process" of this paper), climate and job satisfaction, in particular the causal effects of various dimensions of open innovation climate on different facets of job satisfaction. We assume firms that pursue open innovation climate will experience a higher level of employee job satisfaction. Both an open innovation climate and job satisfaction are assumed to be multidimensional constructs (second-order model). Meanwhile, the difference caused by employees' organizational level was also investigated. This study provides valuable materials for hoteliers who want to promote an open innovation climate in their organizations. Doing so is imperative for firms to survive in fiercely competitive market environments.

According to Mention (2012), few empirical studies have concentrated on the influence of intellectual capital (as a whole) on innovation, either as a process or as an outcome. Intellectual capital has an obvious inherent role in services, because they are characterized by a close interaction between providers and users in the production process and the intrinsic customization process that may be knowledge-intensive and is highly dependent on individuals. Further research on intellectual capital in connection with innovation in the hotel industry is recommended.

#### Sustainable Effects of the Innovation Process in the Hotel Industry

Presented below are some of the key findings of research in the hotel industry, which has been arranged in reverse chronological order. As an intro-

duction into this chapter, the latest study of Chou, Chen, and Wang (2012) is noteworthy; it proposes an integrated model that combines the theory of planned behaviour and the innovation adoption theory to investigate the attitudinal and behavioural decision factors on adopting green practices in the restaurant industry. The results demonstrate that the attitude and perceived behavioural control have positive effects on behavioural intention while the social influence is insignificant. Perceived innovation characteristics have direct positive effects on attitude and indirect positive impacts on behavioural intentions to adopt green practices. Managerial implications are discussed. The importance of environmental innovations as a key competitiveness factor for tourism firms was analysed by Jacob et al. (2010); according to this research, the environmental innovations are mainly process and technological ones. When investing in new destinations, hotel chains transfer and incorporate environmental technologies in new establishments. Finally, the main objectives when introducing environmental innovations are to satisfy customer needs and to improve service quality and the image and competitiveness of the firm.

The study of Smerecnik and Andersen (2011) examines the dissemination of environmental sustainability innovations in hotels and ski resorts. The results of this study reveal that the perceived simplicity of sustainability innovations and high levels of opinion leadership of hotels/resorts were most strongly associated with the adoption of sustainability innovations. The perceived relative advantage of sustainability innovations and the general innovativeness of the hotels/resorts also correlated to some extent with the adoption of innovations leading to increased sustainability. Sustainability communication must emphasize the simplicity and ease of adopting sustainability innovations in order to increase the rate of adoption. These findings provide useful theoretical knowledge and advice for change agents, opinion leaders and suppliers in the resort industry on how to further diffuse sustainability in the sector.

According to Schultz (2008), there is a lack of innovation literature dealing with the effects in the innovation process. It is true that some fundamental forces have been identified. Among them are the efficiency effect (escape the competition), the replacement effect (profit effect), and the knowledge effect.



These help structure ideas and perceptions about which firm would succeed in a race to an innovation. However, it does not incorporate the full wealth of causes. If one aspect is changed, the innovative outcome is different.

#### Geographic Area of Surveys: The Influence on and the Effect of Innovation in the Hotel Industry

In this chapter, we attempt to answer the research question from the introduction to this article. The question refers to the geographical area where most of the research on the influences on and the effects of innovation in the hotel industry was carried out.

Geographic criteria show that research mostly took place in Europe; studied sources were restricted to Spain (Lopez & Vargas-Sanchez, 2012; Vila et al., 2012; Lopez & Vargas-Sanchez, 2011; Fernandes et al., 2011) and its Balearic Islands (Martinez-Ros & Orfila-Sintes, 2009; Jacob et al., 2010; Vadella Garau, 2008) as well as Switzerland (Tajeddini & Truemar, 2012; Tajeddini, 2010), Croatia (Pivcevic & Petric, 2011), Slovenia (Artič, 2013), the countries of Northern Europe (Hjalager & Flagestad, 2012), the Netherlands (Hertog et al., 2011), Denmark (Fuglsang, Sundbo, & Sørensen, 2011) and Alpine region (Grissemann, Plank, & Brunner-Sperdin, 2012).

Outside of Europe, the research on innovation in the hotel industry (influences or effect) was carried out in North America (Smerecnik & Andersen, 2011), in Thailand (Tseng et al., 2008), Taiwan (Lee et al., 2013; Weng et al., 2012; Chou et al., 2012; Chen, 2011), in the People's Republic of China (Chang et al., 2011) and in India (Munjal & Sharma, 2012; Aavek & Chekitan, 2011).

Based on the studied literature, we find that there are no data on the topic of innovation in hotel industry from South America, Central America, Africa, Russia, or Egypt. Nevertheless, they are a successful tourist destinations.

#### Open Innovation as a Special Approach with the Specific Influence on and the Effect of the Hotel Innovation Process

This chapter attempts to present an answer to the previous research question: can one find or name the influence or effect that could stand for a special approach. What influence or effect could be identified as the basic special approach to innovation in the ho-

tel industry? On the basis of literature review and especially on the basis of the paper of Lee et al. (2013), who cited our initial research paper of Nicolau and Santa-Maria (2013), we have decided to promote open innovation in the hotel industry as a possible special approach to the innovation process in the hotel industry.

This section of the paper addresses the latest theory of innovation, because the innovation process has changed into an open innovation process over the past decade. Open innovation is certainly one of the most important influences on innovation in the hotel industry, which can be defined as a special approach, and further research of this field is recommended.

The term "Open Innovation" was first coined by Henry Chesbrough in his book from 2003, in which he defined it as follows: "Open innovation is a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as the firms look to advance their technology". Open innovation should, according to Colombo, Delleria, and Frattini (2011) "first be implemented in multinational companies within the technology sector, and afterwards in the service industry" (p. 167). In contrast, Mulej, Ženko, and Potočan (2009) believe that "a model of open innovation for small businesses has long been a common practice, which just was not ever named as open innovation but was practised as such" (p. 83). This is confirmed by the evidence that a large number of authors have dealt with innovation and open innovation, but surveys administered to the field of hotel industry are less common.

In the field of open innovation within tourism, the authors' focus is directed to the issue of the innovation of services (Pompl, 2006), the introduction of approaches towards innovation (Liburd & Hjalager, 2010), destination management (Ronningen, 2010) and of the Internet as a tool for the introduction of open innovation in the field of tourism (Tudjarov & Anisic, 2011). Upon reviewing the scope of resources in the field of hospitality, we could find two sources from 2013 that would directly link the theoretical foundations of open innovation with hotel industry: the research of Lee et al. (2013) on open innovation and job satisfaction in hotel industry, and that of Artič (2013) on open innovation as a chance for ho-



tel industry to overcome the economic crisis. As an essential source, we refer to the argument of Talwar (2012) who gives a leading role to open innovation regarding the development of the hotel industry's forecasts until 2020.

According to Mention (2012), concurrently with the advent of the open innovation, (touted as the superior if not the only innovation model), the relationships an organization develops with suppliers, customers, competitors and research organizations have been increasingly explored. Convincing evidence on the effects of cooperation with customers and suppliers on performance has been found.

When reviewing the sources in the field of open innovation and hotel industry, we would also like to highlight a case study of the Hilton hotel chain (Idea connection, 2012) as an example of good practice.

Hilton believes that competition is a model that contributes a large "pool of innovation" that can directly improve the quality and work processes. Moreover, all these are significant reasons for considering open innovation to be a special approach to the hotel innovation process.

### Conclusion

This paper presents results of a literature review in the area of influences on and effects of the innovation process in the hotel industry. The aim was to develop an overview on input sources on the innovation process and effects of the innovation process as innovation outputs in the hotel industry. The literature review is presented in Table 1, and all the influences and effects that are stated in this article are presented in Figure 1.

The article is about...					
Year	Author	Title	Source	Influence	Effect
Introduction to influences					
2011	Williams, A. M., & Shaw, G.	Internationalization and innovation in tourism.	Annals of Tourism Research, 38(1), 27–51.	Internationalization is a key dimension of tourism innovation	
Interactions of various factors that influence the innovation process in the hotel industry					
2008	Tseng, C. Y., Kuo, H.Y., & Chou, S. S.	Configuration of innovation and performance in the service industry: evidence from the Taiwanese hotel industry.	The Service Industry Journal, 28(7), 1015–1028.	Human, structural and relational capital development lead to higher overall level of innovation and performance	
2009	Martinez-Ros, E., & Orfila-Sintes, F	Innovation activity in the hotel industry. Investing in technology for tourism activities: Perspectives and challenges.	Technovation, 29(9), 632–641.	The analysis of determinants of incremental and radical innovations and how the two affect each other.	
2011	Chen, W.-J.	Innovation in hotel services: Culture and personality.	International Journal of Hospitality Management, 30(1), 64–72.	Relationships among service innovation culture, proactive personality, charged behaviour and innovation	

The article is about...					
Year	Author	Title	Source	Influence	Effect
2011	Williams, A. M., & Shaw, G.	Internationalization and innovation in tourism.	Annals of Tourism Research, 38(1), 27–51.	Tourists, who are increasingly seen as active participants in the co-production of innovation, including tourism	
2011	Hertog, PP. D., Gallo-uj, F., & Segers, J.	Measuring innovation in a “low-tech” service industry: The case of the Dutch hospitality industry.	The Service Industries Journal, 3(9), 1429–1449.		The need for more specific innovation measurements in the hospitality, suggestions regarding measuring service innovation in the hospitality industry
Current problems that are affecting the innovation process in general					
2013	Nicolau, J. L., & Santa – Maria, M. J.	The effect of hotel innovation on market value.	International Journal of Hospitality Management, 32(March 2013), 71–79.	Problems that are affecting innovation management and its current practice	
The influence of human resource management and customer relationship management					
2009	Hu, M., Horng, J., & Sun, Y.	Hospitality teams: Knowledge sharing and service innovation performance.	Tourism Management, 30(1), 41–50.	Knowledge-sharing and team culture	
2011	Chang, S., Gong, Y., & Shum, C.	Promoting innovation in hospitality companies through human resource management practices.	International Journal of Hospitality Management, 30(4), 812–818.	Hiring multi-skilled core customer-contact employees and training core customer-contact employees for multiple skills	
The influence of information and technology					
2010	Huang, Y-F., & Chen, C-J.	The impact of technological diversity and organizational slack on innovation.	Technovation, 30(7–8), 420–428.	Technological diversity and organizational slack on innovation performance	
2011	Fernández, J. I. PP., Cala, A. S., & Domecq, C. F.	Critical external factors behind hotels’ investments in innovation and technology in emerging urban destinations.	Tourism Economics, 17(2), 339–357.	The impact of hotel investment strategies	

The article is about...					
Year	Author	Title	Source	Influence	Effect
The influence of company and market characteristics					
2008	Schulz, N.	Review of the Literature on the Impact of Mergers on Innovation.	Journal of Strategic Management Education 4, 19–64.	Influence of mergers and acquisitions	
2009	Martinez-Ros, E., & Orfila-Sintes, F	Innovation activity in the hotel industry. Investing in technology for tourism activities: Perspectives and challenges.	Technovation, 29(9), 632–641.	Influence of a variety of firm and market characteristics on radical and incremental innovations	
2009	Mol, M. J., & Birkinshaw, J.	The sources of management innovation: When firms introduce new management practices.	Journal of Business Research, 62(12), 1269–1280.	The level of education of the workforce and the variety of information sources to which the firm has access	
Direct impact on business performance					
2009	Orfila-Sintes, F., & Mattsson, J.	Innovation behaviour in the hotel industry.	Omega, 37(2), 380–394		The performance measurement through average occupancy rate.
2010	Tajeddini, K.	Effect of customer orientation and entrepreneurial orientation on innovativeness: Evidence from the hotel industry in Switzerland.	Tourism Management, 31(2), 221–231.		Effect of customer orientation and entrepreneurial orientation on innovativeness
2011	Ordanini, A., & Parasuraman, A.	Service Innovation Viewed Through a Service-Dominant Logic Lens: A Conceptual Framework and Empirical Analysis.	Journal of Service Research, 14 (1), 3–23.		Proposal of a conceptual framework for investigating the antecedents and consequences of service innovation
2011	Pivcevic, S., & Petric, L.	Empirical Evidence on Innovation Activity in Tourism: The Hotel Sector Perspective.	The Business Review, 17(1), 142–148.		The relationship between the innovation activity and hotel performance
2012	Mattsson, J., & Orfila-Sintes, F.	Hotel Innovation and Its Effect on Business Performance.	International Journal of Tourism Research, 7(2), 131–142.		The effect on performance of different types of innovation
2012	Tajeddini, K., & Trueeman, M.	Managing Swiss Hospitality: How cultural antecedents of innovation and customer-oriented value systems can influence performance in the hotel industry.	International Journal of Hospitality Management, 31(4), 1119–1129.		The link between corporate culture, indicators of innovativeness and business performance.

The article is about...					
Year	Author	Title	Source	Influence	Effect
2013	Nicolau, J. L., & Santa – Maria, M. J.	The effect of hotel innovation on market value.	International Journal of Hospitality Management, 32(March 2013), 71–79.		The effect of innovation on hotel market value
2013	Artič, N.	Open innovation as a chance to overcome the economic crisis in the hotel industry.			Open innovation as a tool for business performance.
The effects of the development of HRM					
2012	Weng, M.-H., Ha, J.-L., Wang, Y.-C., & Tsai, C.-L.	A study of the relationship among service innovation, customer value and customer satisfaction: an empirical study of the hotel industry in Taiwan.	The International Journal of Organizational Innovation, 4(3), 98–112.		Customer satisfaction in relation to service innovation and customer value
2012	Vila, Enz and Costa	Innovative Practices in the Spanish Hotel Industry.	Cornell Hospitality Quarterly, 53(1), 75–85.		The chains and the innovation efforts
2012	Mention, A.-L.	Intellectual Capital, Innovation and Performance: a Systematic Review of the Literature.	Business and Economic Research, 2(1), 1–37.		The influence of intellectual capital on innovation
2013	Lee, C.-S., Chen Y.-C., Tsui P.-L., & Yu T.-H.	Examining the relations between open innovation climate and job satisfaction with a PLS path model.	Retrieved from: <a href="http://link.springer.com/article/10.1007/s11135-013-9869-6#-page-1">http://link.springer.com/article/10.1007/s11135-013-9869-6#-page-1</a>		The relationship between open innovation climate and job satisfaction.
The effect of sustainability					
2010	Jacob, M., Florido, C., & Aguiló, E.	Environmental innovation as a competitiveness factor in the Balearic Islands.	Tourism Economics, 16(3), 755–764.		The importance of environmental innovations for tourism firms
2011	Smerecnik, K. R., & Andersen, P.P.A.	The diffusion of environmental sustainability innovations in North American hotels and ski resorts.	Journal of Sustainable Tourism, 19(2), 171–196.		The diffusion of environmental sustainability innovations in hotels and ski resorts.

Table 1 Literature Review

This study has answered all three research questions, revealing the latest research topics and the authors of the research on the influences and effects of the hotel innovation process. There are different influences of the innovation process, which can be divided on general influences and specific ones. General influences were divided into five parts; they were presented in this paper in the following order: in-

ternationalization, the current problems that affect innovation process in the hotel industry, the influence of information and technology, firm and market characteristics, and the influence of human resource management and customer relationship management.

Not only do the different influences influence the innovation process, they may also affect each other. Different influences can be related to each other dif-

ferently, and the result of their action is reflected in the effect of the innovation process. Feedback on the innovation effects are suggested for further research.

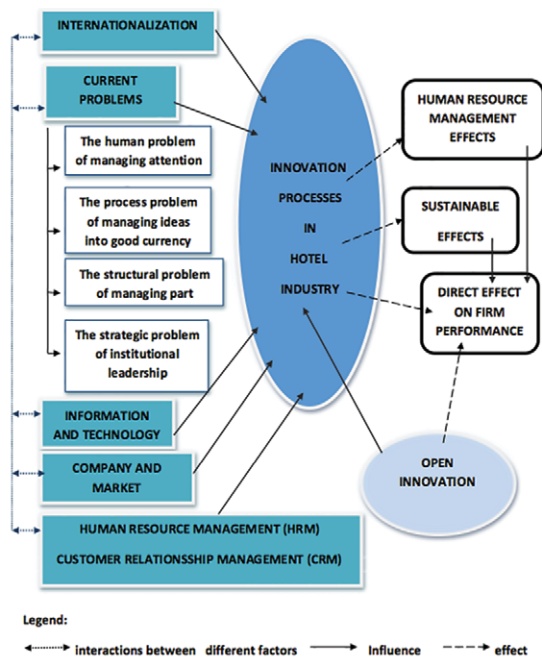


Figure 1 Influences on and Effects of the Innovation Processes in the Hotel Industry by Nataša Artič, 2014

In general, we can divide them into financial and non-financial effects, but in this paper, we are presenting the most common effects (from literature) of the innovation process in the hotel industry, i.e. direct effects, HRM and CRM effects and sustainable effects of innovation in hotel industry. According to Schultz (2008), there is a deficit in the innovation literature regarding the effects in the innovation process. Therefore, the present research points out those different effects of the innovation process that are widely discussed in the literature and considered to be critical for success. The literature review illustrates that the effects are divided into three groups. Regardless, the research lacks a holistic view. Many positive and negative influences/effects are thus probably neglected.

The answer to the second research question refers to the geographical area where most of the research on the influences on and the effects of innovation in the hotel industry were carried out. On the basis of

the geography criteria, the research shows that the research mostly took place in Europe; and based on the studied literature, we have determined that there is no data on the topic of innovation in the hotel industry from South America, Central America, Africa, Russia, Egypt, although they are successful tourist destinations. There is an article by Di Foggia, Lazzarotti, and Pizzurno (2012) mentioning the economics and management of innovation in travel and tourism services on the case of European cruise industry in Dubai, which is indirectly connected with the hotel industry.

The paper also presents an answer on the third research question in which open innovation is suggested as a special approach to the innovation process in the hotel industry. Open innovation is a new concept first addressed by Chesbrough (2003). The difference between open innovation and traditional innovation theory is that open innovation emphasizes innovation in an open system. The diverse types of research (quantitative, qualitative) and case studies indicate the particular advantages of open innovation in the innovation process, from which it can be concluded that it can bring advantages (and positive effects) of the innovation process in the hotel industry.

Further research suggests a focus on effects of open innovation in hotel industry, on measurement of open innovation in hotel industry; the future challenge is also to focus on different possibilities of affecting different influences on each other; moreover, the feedback of different innovation effects are suggested for further research.

Changing one influence or input of the innovation process in the hotel industry means that the innovative outcome is different. This in itself is not inherently bad, as this situation simply mirrors the acknowledgement of the fact that details matter; however, thus far, they matter on the theoretical level. It is not clear whether all these contingencies truly matter in practice. It would be very helpful to determine which influences are particularly important for different hotel firm performance.

The performance of innovation has been defined as a multidimensional concept, encompassing financial and non-financial aspects. This shows that each innovation needs to be treated differently and individually, not only between but within categories, on account of cost differences among innovations. All

influences and effects need to be carefully studied according to each particular innovation process in order to achieve positive effects and firm performance in the hotel industry.

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## A Method for Evaluation of Innovations Introduced in Slovenian Tourism: 2010–2012 Period

**Rebeka Tomšič**

*student, University of Primorska, Faculty of Tourism Studies – Turistica  
rebeka.inside@gmail.com*

**Dejan Križaj**

*University of Primorska, Faculty of Tourism Studies – Turistica  
dejan.krizaj@turistica.si*

This paper outlines several innovation concepts as the basis for understanding the contextual and methodological processes involved in the research of innovativeness levels in the tourism industry. It examines the possibilities of analysing and introducing innovations in the tourism industry from a national perspective. The paper analyses existing methods used to analyse the level of innovativeness while searching for the efficient and rapid approach to measure the newness and impact levels of introduced innovations. For this purpose, a straightforward method was developed as an upgrade to the existing thorough research approach. The results were used to analyse Slovene tourism innovation in the 2010–2012 period at the national level and to demonstrate the relevance of the proposed method in estimated the innovativeness levels of the introduced innovations.

*Keywords:* innovativeness; level; measuring; researches; methodology

### Introduction

Innovation in tourism is multifaceted, as is tourism itself. When speaking of the importance of innovation in tourism, we are primarily discussing the increase of added value (for the inventor, adopter and/or environment). With higher levels of innovation, small businesses can compete with larger and established players in the market while simultaneously creating a strong corporate identity (Hribar, 2013). Innovation is not solely the product of an outsider amateur, but rather is an area that requires cooperation between various fields and experts, united in the holistic approach in which no link in the innovation and invention chain is left to chance (Likar, Križaj, & Fatur, 2006). The evolution of the innovation chain starts with the birth of an invention or an idea with the raw potential of becoming an innovation; only when the innovation becomes profitable is the innovation chain complete (Likar, 2006). The

purpose of the innovation chain is developing innovations out of potentially profitable inventions (Likar et al., 2006).

Categorizations of innovations exists, but primarily for analytical purposes. Studies of Hall, Hjalager and Weiermair (as cited in Hjalager, 2010) that comply with the OECD's categorization of innovations, have named four main categories of innovation: product innovation, process innovation, organizational innovation, and marketing innovation. It should be noted that the OECD and Eurostat emphasize that classifying innovation into these four categories is not always adequate, and that area-specific innovations often lead to adding new categories (Hjalager, 2010).

Doris Gomezelj Omerzel (2006) points out that viewing Slovenia, our research field, as a country with competitive advantages in many areas of tourism is far too optimistic. A survey of 1998, conducted

by Sirše and Mihalič (in Gomezelj Omerzel, 2006), shows that Slovenian tourism managers all share a common stance that Slovenian tourism is stronger in its natural, social and cultural attractions than it is in creating added value. The results of empirical research that identifies the strengths and weaknesses of the current Development Plans and Policies of Slovenian Tourism (SiPlan) indicate that it represents a valuable, but not optimal development model of Slovene tourism development (Ropret, Jere Jaklin, & Likar, 2014). The authors of the research point out that while certain national policy support may be needed in at first, tourism companies should follow quickly with their own ambitious innovation strategies, enabling them to best adapt to challenging global market forces.

In his contribution to innovation in Slovenian tourism, Hribar (2013) emphasizes that, in order to maintain a competitive edge, innovation is crucial and that companies that do not work on introducing innovation into their business eventually stagnate. The market calls for providing experiences that are fresh and new to potential customers, something that would clearly distinguish Slovenian (or any other) tourism from the competition. Mekinc and Cvikl (2014) emphasized that tourist destinations offer their services in different packages (natural values, cultural heritage, art, relaxation, sport, fun, etc.) with which they increase their competitive advantage, together with safety and comfort perception. Pure competition is not the only way to achieve a sustainable competitive advantage and, as pointed out by Fyall, Garrod and Wang, 2012 (cited in Mariani, Buhalis, Longhi, & Vitouladiti, 2014), a relevant strategy for a destination to achieve a competitive advantage in the longer run is to collaborate and cooperate within a tourism destination and among destinations.

However, the importance of innovation in Slovenian tourism lies not only in its role of ensuring much needed competitiveness and comfortable stays for tourists. As stated in the Tourism and Internationalisation Directorate (Ministry of Economic Development and Technology, 2013) brochure, tourism contributes significantly to other development goals, such as GDP growth, job creation, sustainable development, better quality of life for the community, safety and well-being of the population, strengthen-

ing cultural identity and increasing the recognition of Slovenia in the world. To achieve this last goal, it is important for Slovenia to enter foreign markets more intensively in order to start the process of internationalization (Makovec Brenčič, Raškovič, & Pfajfar, 2013), which is in line with the claim of Williams in Shaw (2010) that internationalization is the essential dimension of tourism innovation, which is reflected in market conditions, knowledge transfer and business conditions.

As noted by Hall and Williams (2008), literature that focuses on the tourism industry regularly mentions the growing number of tourists, the positive effects on profitability and the fact that tourism is one of the world's fastest growing industries. However, most authors do not specifically identify innovation as the factor with the most positive effects on tourism. The global tourism innovation process needs more attention; it consists of a remarkable series of small, gradual changes and a handful of revolutionary leaps, which have repeatedly re-defined tourism and broadened its reach (ibid.). Figure 1 shows a company in stage  $p_0$ , which is the company's state before adopting innovation. After the company implements its own or adopted innovation, it can progress in three crucial directions, represented by the X (product), Y (process), and Z (market) axes in the coordinate system. With this demonstration, we understand that the company that introduced innovation at any stage will progress in at least one of the three directions while simultaneously moving from stage  $p_0$  to  $p_1$ , a more developed stage. If the company moves in all three directions at the same time, it is innovating its entire business model, according to several authors (Križaj et al., 2012).

During the transition from  $p_0$  to  $p_1$ , companies can be almost passive or heavily active, but in all cases they are moving in one or more directions, as shown in Figure 1. For our pilot study, we have concentrated on Slovenian tourism companies that were identified as undergoing part of the described three-dimensional process during the period between 1 January 2010 and 31 December 2012. Following any of their XYZ motions, the paper focuses on the characteristics of realized innovations and their introduction in tourism enterprises and identifies the following research issues:

- What types of innovations are occurring in Slovenian tourism?
- What is the degree of innovation in various types of businesses or organizations?
- What is the degree of innovation in statistical regions in Slovenia?
- What is the degree of innovation of individual innovations introduced?
- What are the characteristics of innovations introduced?
- How is the effectiveness of the method for measuring the level of innovation tested?
- What is the comparability of results with other studies?

For this purpose, a straightforward method was developed as an upgrade to the existing thorough research approach to show the results and findings for the above-defined primary issues. The aim of this article is to analyse innovation in Slovenian tourism with the proposed upgraded methodology and to demonstrate the applicability of the method to measure the level of innovation. The final part of the article presents the findings and suggestions for improving the developed method.

### Tourism Innovation Research

Innovation is a complex phenomenon and, as such, is described in many theories, e.g. Schumpeter, 1961; Drucker, 1985; Sundbo, 1995; Rogers, 2003; Fagerberg et al., 2006 (as cited in Krizaj et al., 2012). The main issues among researchers are differences in the measurement of innovation between general innovation and innovation in service industries, such as tourism (ibid.). Recent reviews, made by Hall & Williams, 2008; Tejada & Moreno, 2013; Williams & Shaw, 2011 (as cited in Thomas & Wood, 2014) of the literature on innovation in tourism have all highlighted the need for more theorising and empirical research on almost all aspects of the phenomenon. We have reviewed several research studies in the field of innovation, which could reveal the specifics and even hidden unique characteristics of innovation in tourism. Empirical studies have mostly focused on the specific types of hotels (alpine, sun and sea hotels, hotels in ski resorts), ranging from 20 to 392 research units

from Spain, Italy, Austria and North America. Most studies focused on the manager's perspective on their company's innovations and related activities. One study, *A Consumer-Based Measurement of Tourism Innovation* (Volo, 2005), included the tourist's perspective, again as interpreted by managers. In all cases, company managers were addressed through personal open-structured interviews or questionnaires. One study (Smerecnik & Andersen, 2010) additionally involved the researcher's assessment of innovations impacts and extents.

Basic research approaches mostly consisted of a gathered record of adopted innovations together with descriptions of the innovations and related innovation activities. Additionally, some focused on the effects, objectives, sources, obstacles and technological bases of innovations or their diffusion characteristics: relative advantage, compatibility, simplicity. Most frequently, product, process, delivery, organization and market innovation types were applied. The findings of the studies are (similar to the diverse sets of characteristics) quite diverse. One common conclusion is that tourism is, in general, not very innovative. In the Balearic Islands (Spain), Martinez-Ros and Orfila-Sintes (2009) confirm that more hotels carry out incremental innovations and that fewer implement radical innovation; the authors add that hotels under managerial contract, those owned by a hotel chain, and larger hotels tend to be more innovative.

Results from another study from Balearic Islands indicate that almost half of innovative companies adjust their human capital skills and abilities to new conditions; those belonging to larger chains are much more inclined to introduce adjustments. Moreover, the hotel industry innovates by introducing already developed technology rather than undertaking internal R&D activities (Orfila-Sintes, Crespí-Cladera, & Martínez-Ros, 2005). In all Spanish regions as well as in different hotel categories, Sancho Pérez, Borrà and Belda (2005) highlight the fact that the size of the hotel, measured by the number of guests rooms, has a positive influence on innovation: the larger the hotel, the greater the number of innovations. The same holds true for the level of a hotel's industry specialization: the more specialized it is, the greater the degree of innovation adopted.



In hotels from Austrian alpine tourist destinations, studies revealed that the nature of innovation activities is only one of minor cosmetic changes, which do not count even as incremental innovations. A positive significant relationship exists between the target segment and the degree of innovation. There are more process innovations, while product innovations can hardly be found (Pikkemaat & Peters, 2005). The perceived simplicity of environmental sustainability innovations is positively correlated with the adoption of environmental sustainability innovations in North American hotels and ski resorts. There is also a correlation between environmental opinion leadership and the adoption of environmental sustainability innovations. Sustainability in the resort industry is complicated, because guests in the USA are not willing to pay more for green policies (Smerecnik & Andersen, 2010). The results of the study *A Consumer-Based Measurement of Tourism Innovation* lead to the conclusions that the precise nature of the tourism segment creates the need for specific ways of defining and measuring innovation and that it is essential that the measurement of innovation somehow capture the degree that influence innovation has on the overall tourist experience (Volo, 2005). Thomas and Wood (2014) examined another important dimension of innovation within commercial tourism organizations, i.e. their ability to acquire, assimilate and utilize external knowledge (absorptive capacity) for competitive advantage. The results of their study confirm the importance of business relationships for knowledge acquisition; they also show that merely developing and promoting business networks within destinations will not necessarily lead to innovation.

Definitions that describe innovation may appear theoretically clear and simple. However, clarifying its practical dimensions and making the meaning of innovation operational for scientific investigation has been very challenging, as has the issue, often faced by researchers, of how to evaluate and deal with the comparability of innovation statistics among different data sources (Volo, 2005). The research limitations and future implications also include the low rates of general and specific question response, the over-reliance on manager's perceptions and the need for the perspective of innovation considered by the firm and the sector in which it operates (Križaj

et al., 2012). Similar diverse conclusions and limitations have already been noted in Hjalager's tourism innovation literature review. Hjalager (2010) and Liburd (2012) (as cited in Križaj et al., 2012) outline that the fundamental reason might be found in the lack of common tourism innovation research guidelines. An important step toward creating such guidelines has been recently taken by Camisón and Monfort-Mir (2012) (ibid.) with their discussion of what information could be collected. According to their guidelines, a complete synthesis innovation measurement approach would also include indicators of hidden dimensions and indicators of innovative performance and capabilities.

The search for predicted hidden innovations, the synthesis approach, and additional innovation focuses might begin with investigating the fundamental innovation categorization (Križaj et al., 2012). Hjalager (2010) summarizes five tourism categories: product and service, process, managerial, marketing and institutional. Bieger and Wienert, 2006 (as cited in Križaj et al., 2012) use the innovation three-axis co-ordination system of only product, process, and market innovations; as shown in Figure 1.

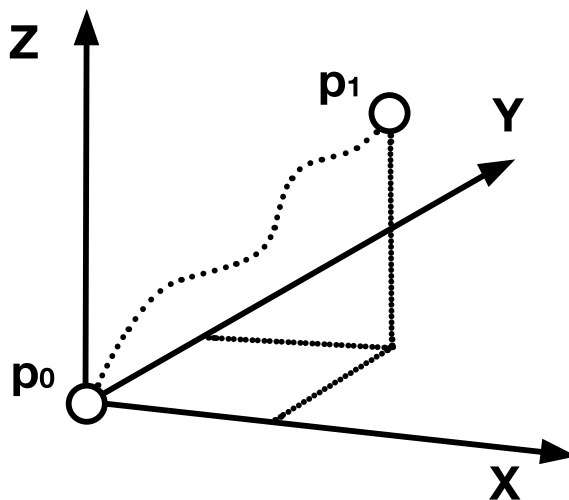


Figure 1 Innovation Coordination System: Križaj et al., 2012

In order to test the comparability of the results of our study, we have examined a related study, analysed in detail in the article *A Tool for Measurement of Innovation – Newness and Adoption in Tourism Firms*, which included 351 tourism-related com-

panies that introduced innovation during the period between 1 January 2007 and 1 June 2010. The method of acquiring the results was presented in three steps. The first was to enter a proper description with a set of attributes of tourism companies into a specially developed database and research tool. In the next step, the difference between pairs of companies was defined. The third step was finding the proper approach to calculate and showing the differences between companies. Data were gathered into a dendrogram structure, in which clusters of individual companies that stand out as highly innovative with uncommon characteristics were clearly determined.

Statistical data provided by the pilot database shows that the Osrednjeslovenska region is the Slovenian region with the highest registered number of innovations, while the most active regions with the most rapid development were Pomurska (1.66 innovations per year) and Obalnokraška (1.17 innovations per year). The most active segments were accommodation, tourist agencies and spas; the most common innovations were new facilities or their renovation, promotional literature, hiking tours and events, and culinary festivals. The number of innovations per organization per year was 1.08, and the ratio between categories of product, process and market innovation was roughly 4:2:1, whereas institutional innovations were hardly present (Križaj et al., 2012). Our aim was to analyse the data for more recent period with simplified and updated research approach.

### Methodology

The primary aim of the study was to develop and validate an upgraded and simplified approach used for measurement of the newness level and the adoption of tourism innovations. The suggested approach is to input data about diverse tourism firms and their adopted innovations, which are new at different levels and segments, into a common database structure. With the appropriate approach, the newness level and characteristics can be identified for each firm's innovation.

Based on the literature review and previous research conducted in the field of innovation in tourism, a research plan has been prepared. The main research objectives were:

- Define an accurate approach for the measurement of the newness level, which would also be comparable between different segments and countries.
- Demonstrate the characteristics of the introduced innovations.
- Introduce a picture of the tourism innovation situation as covered in the national media.

To achieve them, three steps were introduced:

- Identifying and selecting the primary units of research,
- Determining the criteria for assessing the degree of innovation,
- Preparing the sampling form.

For the pilot study, we have concentrated on Slovenia, with approximately 7,000 registered tourism-related companies. As an information resource, we have chosen the main national press and Internet media covering news about Slovenian tourism: two web portals, one managed by the national TV operator ([www.rtvsllo.si](http://www.rtvsllo.si)) and one by the national tourism board ([www.btps.si](http://www.btps.si)), a tourism journal published by the tourist association, and the biggest daily business newspaper. Media information was gathered for the period between 1 January 2010, and 31 December 2012. The selection of news was limited to the innovations introduced in Slovenian tourism, and belongs to one of the types of innovation as shown in Figure 1: (X) product, (Y) process and (Z) market innovation. In addition to these conditions, the collection of news for the study followed the minimum requirements of the Oslo Manual (OECD, 2005), which defines innovation as a novelty or a significant improvement that can be adopted.

Prior to the collection of news from the media, a database structure for data analysis and results collection was prepared. The database table, as shown in Figure 2, was divided into three sections. The first section covers basic information on the news: an identification code for every news article, source, the name of innovation, a brief description of the innovation, and the type of innovation. The second section covers all data on the organizations that introduced the innovation: full name of the organization, the type of organization and the statistical region

from which the organization originates. The third section of the table covers the innovation levels.

Throughout the history of innovation research, novelty and newness have been in the focus of innovation definitions (Hjalager, 2010). When theorizing about innovation's newness characteristics Johannessen et al. 2001 (as cited in Križaj et al., 2012) introduced three important questions: 1) What is new? 2) How new is it? 3) To whom is it new? They claim that only after these questions have been thoroughly answered, and when these answers declared at the beginning of studies, can one compare different results. The goal of assigning a numerical value to a criterion in our study was to rank novelties and define their individual innovation levels. This approach enables us to determine which novelties stand out the most while simultaneously showing their particular characteristics. For that purpose, we determined 11 criteria for assessing the degree of innovation.

Each invention begins with its first appearance somewhere in the world. After that, it is gradually diffused through different social systems at different rates and adapted to local needs and environments in different ways (Smerecnik & Andresen, 2010). Although such diffused tourism adoptions are generally no longer perceived as innovations, they can play a substantial role in the further development of destinations. As stated by Keller, 2006 (in Križaj et al., 2012) "already known to the world" innovations can still help to differentiate between otherwise similar tourism destinations. On that basis and in order to obtain the information about whether the innovation is new "first in the world" or adopted, on national and/or regional levels, the first three criteria were introduced (N-SVET, N-SLO and N-REG):

- New to the world (N-SVET): this criterion is met when an innovation is introduced to the world for the first time, for instance the low-cost carrier Ryanair, or is the only one in the world and cannot be experienced elsewhere.
- New in Slovenia (N-SLO): this criterion is met when an innovation is the only one in Slovenian tourism; it can also be adopted from abroad. If the innovation was introduced by other providers in Slovenia within the observation period, the criterion is not met. If an (N-SVET) criterion is met, an (N-SLO) criterion is also met.
- New in region (N-REG): thus criterion is met when the innovation is the only one in one of the Slovenian statistical regions. If an (N-SLO) criterion is met, an (N-REG) criterion is also met.
- Acquired EU funds (EUS): this criterion is met when the news indicates that EU funds were acquired for the realization of the innovation. EU funds are intended for activities that promote socio-economic development and contribute to reducing regional disparities, which encourage in particular the development of less-developed regions of Europe, sustainable development, and a higher level of employment (Republic of Slovenia Government Office for Development and European Cohesion Policy, 2013). This can be an important additional piece of data, because it shows that the introduced innovations are in accordance with European standards for the granting of subsidies and contribute to the well-being of the environment and people.
- Awarded innovation (NAG): this criterion is met when the news indicates the innovation was granted an award. Award-winning innovations usually meet very demanding criteria and are evaluated by a jury of experts. For example, the UNWTO (2014) Ulysses Awards for Innovation merit distinction for the significant contribution of innovative tourism initiatives that are both competitive and sustainable in their character.
- Impact on the recognition of Slovenia (PREP): this criterion is met when an innovation affects and improves an offer the tourist can directly benefit from, or allows him easier access to beneficial offers. Regarding an innovation that has been introduced in order to improve operations within a company or institution and that was not directly accessible by tourists, the criteria are not met.
- Was presented at the tourism trade show (TURB): this criterion is met when the news stated that the innovation was presented on any travel & tourism trade show. Advertising campaigns, business exhibitions, and specialized tourism fairs are the most useful marketing tools, aimed at establishing ties between the range of Slovenian tourist fa-

cilities and services and interested parties from abroad (SPIRIT, 2014).

- Brings benefits to other businesses (DRUG): this criterion is met when the innovation introduced by one firm contributes to the integration of other providers of services or products. A good example is a New Year's Fair, where they can present multiple providers at the same time.
- The ecological impact (EKO): this criterion is met when the news indicates the innovation is ecologically oriented, meaning natural and organic sources are used, the innovation has minimal impact on the environment and uses new technologies from the field of energy production and consumption.
- Sustainable perspective (TRAJ): this criterion is met when the news indicates the innovation meets the sustainable development criteria. In addition to reducing the negative impacts on the environment (EKO), economic, social and cultural needs also must be met.
- News announcement (OBJ): this criterion is met by default, because all the innovation or novelty announcements were found in the news. By meeting this criterion automatically, the minimum requirement of Oslo Manual (OECD, 2005), which states that every company that has implemented a novelty within the observation period is considered to be innovative, is fulfilled.

Based on the information gathered from the corresponding news articles, each innovation was evaluated on eleven different criteria. If the information about a particular criterion was not included in the article, the criterion in question received no point, while those that could be identified received one point. At the end of this analysis, each innovation received a total score, which was used for final rankings. Figure 2 shows an example of news input called *Glamorous Camping Slovene Style: in the Embrace of the Bled Wooden Villas* was published in the online portal of the national public broadcaster on September 18, 2012. This news item was the ninth entry, so it received a label with the initials of the media and the serial number TAO09. The next column provides links to the news, followed by a short name and a summary of the news. Glamping (glamour-

ous camping) in Bled is a new service on the market, available to guests from 2011 onward and is thus a type of product innovation. Sava Tourism is the organization that introduced the innovation; the organization is a public limited company (AJPEŠ, 2013). The type of organization is accommodation, which was determined by reference to the principal activity of the company. The region of the headquarters, in this case, the Sava Turizem, d.d., is Osrednjeslovenska region.

ID	Source			Innovation name		Innovation description					
TA009	(»rtvslo.si/tureavanture/«, 2013)			Eco village Camping Bled		Camping Bled in Velika Zaka built an ecological village (series of wooden cottages)					
Innovation type		Organization name		Organizational form		Organization type			Region		
Product		Sava Turizem		d.d.		Accommodation			Osrednjeslovenska		
N-SVET	N-SLO	N-REG	EUS	NAG	PREP	TURB	DRUG	EKO	TRAJ	OBJ	SUM
0	1	1	0	1	1	1	0	1	1	1	8

Figure 2 Example of News Input for Eco Village Camping Bled  
Authors, 2014

The final section points are awarded to pre-determined criteria, to which innovation corresponds. The product, i.e. glamping, has been introduced elsewhere in the world. Therefore, the criterion for N-SVET (new to the world) was not met. The product was new to the Slovenian market, so both the N-SLO (New to Slovenia) and N-REG (New in region) criteria were met. The information about EU funds being acquired was not available, so the criterion (EUS) was not met. The three following criteria were met: innovation was awarded (NAG); its uniqueness contributes to the recognisability of Slovenia (PREP), and was presented at the tourism trade show (TURB). The new service, camping in the forest villas, does not bring substantial benefits to other organizations, so the (DRUG) criterion was not met. It is ecologically oriented with materials and energy consumption (EKO). The ecological approach and minimal impact on the environment meet the criterion of sustainability (TRAJ). News of the innovations has been found in the online medium, thus meeting the requirements of its publication in the media (OBJ). This innovation met eight criteria out of 11 and climbed to the top scoring scale.

After the evaluation of the different criteria, all innovations were ranked according to points accumulated, revealing the innovations and companies with highest ranking. The analysis continued by sorting the companies according to different company types, organizational forms and regions, which was presented in graphic form. Most importantly, this showed how many innovation activities there are within a particular region, further specified according to company type and organizational form. A further division was also made according to the type of innovation and the occurrence of a certain criterion. This allowed us to identify the types of innovation predominant in Slovenian tourism and the frequency of their characteristics as defined by our criteria.

### Results and Discussion

This study covers a sample of 113 collected news articles covering innovations introduced in Slovenian tourism. These articles were gathered from four different state media, using pre-defined criteria. All news was entered in the table, as shown in Figure 2. The study focused on the number of occurrences of types of innovation, degree of innovation within the organizational forms and types of organizations and the degree of innovation by statistical region. In general, the results show that product innovations are predominant, process innovations are rare, while the market innovations are barely detectable.

It was found that in the years 2010–2012 most innovations were introduced in the Osrednjeslovenska region, i.e. 32 (28.32%). Assessing the degree of innovation with the criteria has returned the results shown in Table 1. From a total of 113 innovations, one was new to the world, which represents 0.88% of the total sample. The next 50 (44.25 %) innovations were new to Slovenia, and 76 (67.26 %) were new on the regional level. Sixteen articles (14.16%) reported on introduced innovations that had acquired EU funds, with nine (7.96%) innovations receiving awards. Nearly 93% of all the innovations included in the study were those that, in our opinion, have an impact on the criterion of recognition of Slovenia (previously defined in the Methodology section). Two (1.77%) out of 113 innovations were presented at a tourism trade show, and 53 (46.90%) innovations brought benefits to other organizations. There have been 11 (9.73%) eco-oriented innovations and 27 (23.98%) of those have had

sustainable nature. All innovations that were included in the study were published in the media.

*Table 1* Number of Innovations per Organization per Region

Region	No. of introduced innovations	No. of different organizations	No. of adopted innovations per organization
Gorenjska	18	16	1.13
Goriška	5	4	1.25
Jugovzhodna Slovenija	8	8	1
Koroška	3	3	1
Notranjsko-kraška	2	2	1
Obalno-kraška	9	6	1
Osrednjeslovenska	32	29	1.5
Podravska	5	5	1.1
Pomurska	8	7	1
Savinjska	20	17	1.14
Spodnjeposavska	2	2	1.18
Zasavska	1	1	1
Total	113	100	1.13

Authors, 2014

During the two-year observation period, organizations introduced an average of 1.13 innovations each, meaning 0.65 innovations per organization per year. The results regarding the number of innovations introduced in individual regions in Slovenia are shown in Table 1. During the research, we identified trends that suggest that larger organizations introduce more innovations, while among the smallest organizations, tourism and other similar associations are the most active. A large number of innovations introduced were financed by state organizations, while there were only a few that were supported by European Union funds. Organizations did not innovate on a global scale; in most cases, innovations



were adopted or an upgrade to the existing product or service was introduced.

The primary source for the starting point in the preparation of our research methodology was a related study (Križaj et al., 2012), the primary aim of which was to develop a tool for measuring the innovation newness level, using the Jaccard distance calculation of the created database records, and organizing data about diverse tourism companies into a dendrogram and filtering out individual companies with uncommon characteristics and achieving high levels of innovation. In our research, we also wanted to identify the highest graded companies under predetermined scoring criteria. Scoring criteria has shown the results of the new features introduced with the highest level of innovation while each conferred point shows the specifics of introduced innovations, as shown in Table 1. For each of the introduced innovations we can, with scoring criteria, collect data regarding whether an innovation brings benefit to other companies, has an ecological impact, was supported with EU funds, etc.

In the study and preparation of the sample, we considered the assumption that the definition of innovation and what can be considered as innovation is derived from the minimum requirements of the Oslo Manual (OECD, 2005). As shown in Figure 1, if a company realizes some innovation steps in terms of creating or adopting innovations, it moves in the proposed direction X (product), Y (process), Z (market) and in this manner the company is progressing from a less to a more developed phase. When preparing a research sample for the pilot study, we have determined that research in this area is difficult because there are no information sources from which we would be able to extract the data about adopted innovations in Slovenian tourism firms. As an information resource, we have chosen the national Internet media and discovered that there is plenty of easily accessible information. Thus, we find that the approach used to gather information and prepare an appropriate sample is suitable, but we emphasize that a nationally organized gathering information system is necessary for the precise statistical and comparative data.

Until such a system exists, the approach with scoring criteria for each innovation is estimated to be effective, as the results showed the most notable

and exciting news reached the maximum number of points, as shown in Figure 2. Eco village Camping Bled, which, according to the scoring criteria, reached the highest number of points among 113 innovations that we have captured in the study, i.e. eight out of 11 points, was repeatedly published in the media as an example of good practice and as a recipient of awards in the categories of innovative achievements. However, at the same time, we find that it would be necessary to further define the criteria for product and market innovation, because they have a different character than that of the product type of innovations and cannot be assessed in the same way.

The results of the research (Križaj et al., 2012) with the model of Slovenian companies, which was conducted for the 2007–2010 period, can be compared with our study. The findings suggest that the situation in Slovenian tourism has not changed significantly, as the Osrednjeslovenska region still dominates with a maximum of introduced innovations. In a study in the years 2007–2010, it was identified that each organization annually introduced 1.08 innovations, but only 0.65 did so in our study. In the 2007–2010 study, it was identified that the most active regions are Pomurska region and Obalno-Kraška regions; in our study, the results show that most active are Goriška region and Obalno-Kraška regions.

Results available through the study for the 2007–2010 period include the distribution of innovations between organizations with the most active segments: accommodation, tourist agencies, and spas. In our study, the most active per type of organization were the segments of community or individuals in collaboration with the municipality, tourism associations, and the accommodation sector. From the data gathered in our study, it was possible to determine that tourism companies introduce mainly product innovations, followed by process innovations, and, finally, barely detectable market innovations; the same results were seen in the study in 2007–2010 period. The identification and classification of innovation subcategories in the pilot set from 2007–2010 demonstrated that the most common innovations were new facilities and their renovation, promotional literature, hiking tours and events, culinary festivals and entrance into the young families market segment. Our findings show most innova-



tions are new facilities and their renovation, followed by hiking tours and events, and tourist information points and information boards.

Based on the gathered data, we have derived the following proposals for tourism organizations:

- The degree of novelty introduced by type of innovation is low in process and market innovations. Slovenian organizations could introduce more innovations in the field of new processes and market approaches, as doing so could support businesses and facilitate innovative ways to market their services.
- When implementing innovations, organizations should focus their activities on their ecological and sustainable character. The biggest challenge for tourism is to remain competitive while simultaneously promoting sustainability, which is of vital importance in ensuring a strong organizational brand and a competitive advantage.
- By introducing innovations, organizations should focus on the well-being of the social environment in which they operate, in terms of increasing employment and cooperation with other organizations. Destinations where tourism providers collaborate have a greater advantage, since they can offer more diverse experiences and thus retain guests over longer periods of time. In this manner, companies do not compete directly with each other but against competing destinations, which brings the benefits of each provider within the destination (Koren & Kovačič, 2011).
- Organizations should plan to introduce innovations drawn up in accordance with European standards, which have organic, development and social characters, and in this way are eligible to obtain funds from the European funds.

The research findings also offer the following methodological suggestions and conclusions:

- Researchers should focus on studies that would be comparable between countries, as this would enable the demonstration of the level of innovation in each country observed.
- Measurements with pre-defined criteria can be an effective method for quickly measuring the level and the content of tourism innovation.

- The generation of a national tourism innovation database should be introduced, including reliable information about new features introduced for the purpose of future thorough research and distinctive country promotion.

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# The Influence of Tourism on Deforestation and Biodiversity

**Zdravko Šergo**

*Institute of Agriculture and Tourism, Poreč, Croatia*  
zdravko@iptpo.hr

**Anita Silvana Ilak Peršurić**

*Institute of Agriculture and Tourism, Poreč, Croatia*  
anita@iptpo.hr

**Ivan Matošević**

*DIU LIBERTAS International University, Zagreb, Croatia*  
diu.libertas@diu.hr

Sustainable use of space is often influenced by human activities causing adverse effects on biodiversity. Human impact on land and its natural reserves is very obvious in the case of forests. International tourism as an income-generating human activity also affects biodiversity and forests. Therefore, this paper analyses international tourism arrivals as a factor influencing deforestation in a global framework. The Mankiw, Romer and Weil (1992) growth model is applied to estimate the rate of deforestation, using the rate of change of tourism arrivals, economic growth rate, and population growth rate. Descriptive and inferential analysis was used to explain the various cross-national data used in this paper.

*Keywords:* deforestation, *convergence*, real GDP per capita

## Introduction

In considering the benefits of tourism, it can be argued that tourism has the potential to become a strategic engine of long-run economic growth. It should also be added, however, that the uncontrolled growth of tourism may have a devastating impact on landscape quality and/or environmental conditions (Ridderstaat, Croes, & Nijkamp, 2014). The tourism industry uses large amounts of energy and water, creates more waste, emits more particulates and gases due to car and air traffic, and negatively impacts biodiversity via land use, climate change, and in other ways. The addition of billions of people to the medium and high income ranks, with its attendant high consumption patterns and travel preferences, increases the pressure enormously. Tourism in the world today is considered to be a highly relevant economic activity and social force impacting the allo-

cation of scarce (often exhaustible and non-renewable) resources. If those resources are exhausted over time, then one way or another, material well-being and quality of life will suffer. A central premise is that tourism is underpinned by sets of assets, not just the conventional ones, such as hotel and camping infrastructure, but a broader set that includes multiple impacts on three dimensions of life: environmental, social and economic dimension. In this paper, the focus is on studying the relationship on a global scale between tourism and natural environment, i.e. deforestation.

The rate of deforestation is dramatically fuelling climate changes and the destruction of an invaluable resource. Globally, the trend of accelerated environmental degradation in recent times has primarily been driven by land use changes as a consequence of frontier expansion and population growth (Rich-

ards, 1990). Land use practices and land use significantly impact natural forests, the environment and the entire biosphere. Much of our growing awareness of sustainability has to do with the environment (Spence, 2011). The earth becomes warmer because of “the anthropogenic (or manmade) greenhouse effect”; the climate campaigner George Monbiot has urged the governments of the rich world “to keep growth rates as close to zero as possible”. In the years preceding the recent crisis of 2008/09, economic growth had been particularly high but the financial crisis has interrupted this growth. Linked to that, sustainability adviser Tim Jackson argues that only the complete elimination of growth (despite the colossally damaging effect on employment levels and inherent to such a policy, the argument persists) can save us from planetary disaster, adding hopefully that it will also make us happier (Op.cit., Skidelsky, R.). However, without growth, there will not be tourism as such or traveling to abroad: in short not much happiness at all.

Among various socio-economic factors that contribute to alter or deplete the forest cover and affect forest structure and species composition (Schwartz & Caro, 2003), tourism growth, is undoubtedly, among them. In this paper, we have assumed that tourism, as a global economic activity, impacts deforestation rates.

Those rates vary massively; one reason is the inaccessibility of many of the forests and the way people classify deforestation. It is claimed that only about 5% of the earth's surface is currently covered in tropical rainforests, compared to nearly 15% fifty years ago. Many people believe that tropical rainforests could disappear this century. With people becoming ever more environmentally conscious and looking for increasing adventures, ecotourism to rainforests is increasing. This not only helps protect rainforests but also creates income for locals. Ecotourism is an important source of income to countries like Costa Rica and Belize, for example, but does not prevail on a broader scale worldwide and has remained very rare.

Nordhaus's respected study (1992) anticipates an increase in average temperatures in the 1990–2050 period of 3 degrees Celsius due to an accelerated increase in greenhouse gasses. The burning of fossil fuels is the main factor behind human-caused climate change, but about 20% of the problem comes from

deforestation. Every year, nearly 200,000 square kilometres of forest is cut down, mostly in tropics (Climate Central).

Deforestation as a negative externality is functionally linked to economic and population growth, and part of it is fuelled by the global tourism activity. In the growth literature, economic convergence has widely been studied in economic research since the mid-1980s. In this paper, we will develop the concept of convergence and apply it in the envirometrics perspective. Barro and Sala-i-Martin (1992) find that per capita income and gross domestic product have converged across states from 1880 to 1988. This includes the convergence of per capita income levels and economic growth rates across economies. The decline of per capita income dispersion is referred to as  $\sigma$  (sigma) convergence; and the convergence of economic growth rates as  $\beta$  (beta) convergence (Sala-i-Martin, 1990; Barro & Sala-i-Martin, 1991). A potential shortcoming in these studies is that only one measure of well-being is considered, i.e. a measure of wealth linked to incomes or production. It concerns the GDP per worker or capita; the former measures productivity and the latter standard of living. Inherent in many theoretical models (e.g. Wilson 1987) is the possibility that regions may converge in incomes when specialization occurs, e.g. poorer countries specialize in the production of pollution-intensive goods and experience large increases in per capita income, whereas richer regions specialize in the production of clean goods, but also in production of services such as pollution-free industry and subsequently have a lower growth rate in per capita income. The example of China is striking in relation to this; see also J. M. Diamond's chapter 12 on the pollution of rivers and the environment in China (2005) as a result of a 10% annual growth rate over the last three decades. In this scenario, it is quite possible that countries are converging in monetary wealth but diverging in “green incomes”, or income levels adjusted for environmental quality (List, 1999). The fundamental issue related to our paper is how to hinder problems in order to maintain the economic and environmental factors in a symbiotic balance; there are various direction of thoughts regarding this: there is the freedom to adopt varying “shades of green” in approaching sustainable tourism. From the light green approach that holds tourism development and tourist and opera-

tor satisfaction as the central aim to the darker green in which the precautionary principle and concept of carrying capacities feature highly (Hunter, 1997).

The study of these issues has an important environmental policy implication. It aids in understanding the current trend of global deforestation, its convergence and how it is impacted by tourism and other socio-economic forces, and thus provides useful information for global environmental policy makers for further development *strategy*.

The paper is organized as follows. Section 2 describes the data and their source. Section 3 presents an econometric specification of the model of deforestation rate convergence and introduces the *Ordinary Least Squares* Estimation methodology for its estimation. The results are also presented. Finally, further steps are discussed in conclusions.

### About the Data

This paper studies the convergence of per capita forest, and tourism arrivals impact on it across 185 various countries in the world in 1995–2011 (see Table 5 in Appendix): ABW - Aruba, AGO - Angola, ALB - Albania, ARE - United Arab Emirates, ARG - Argentina, ARM - Armenia, ATG - Antigua and Barbuda, AUS - Australia, AUT - Austria, AZE - Azerbaijan, BDI - Burundi, BEN - Benin, BFA - Burkina Faso, BGD - Bangladesh, BGR - Bulgaria, BHR - Bahrain, BHS - Bahamas, BIH - Bosnia and Herzegovina, BLR - Belarus, BLZ - Belize, BMU - Bermuda, BOL - Bolivia, BRA - Brazil, BRB - Barbados, BRN - Brunei Darussalam, BTN - Bhutan, BWA - Botswana, CAF - Central African Republic, CAN - Canada, CHE - Switzerland, CHL - Chile, CHN - China, CIV - Côte d'Ivoire, CMR - Cameroon, COG - Congo, COL - Colombia, COM - Comoros, CPV - Cape Verde, CRI - Costa Rica, CUB - Cuba, CYP - Cyprus, CZE - Czech Republic, DEU - Germany, DJI - Djibouti, DMA - Dominica, DNK - Denmark, DOM - Dominican Republic, DZA - Algeria, ECU - Ecuador, EGY - Egypt, ERI - Eritrea, ESP - Spain, EST - Estonia, ETH - Ethiopia, FIN - Finland, FJI - Fiji, FRA - France, FRO - Faroe Islands, FSM - Micronesia, Federated States, GAB - Gabon, GBR - United Kingdom, GEO - Georgia, GHA - Ghana, GIN - Guinea, GMB - Gambia, GNB - Guinea-Bissau, GNQ - Equatorial Guinea, GRC - Greece, GRD - Grenada, GTM - Guatemala, GUY - Guyana, HND - Honduras, HRV - Croatia,

HTI - Haiti, HUN - Hungary, IDN - Indonesia, IND - India, IRL - Ireland, IRN - Iran, Islamic Republic, ISL - Iceland, ISR - Israel, ITA - Italy, JAM - Jamaica, JOR - Jordan, JPN - Japan, KAZ - Kazakhstan, KEN - Kenya, KGZ - Kyrgyzstan, KHM - Cambodia, KIR - Kiribati, KNA - Saint Kitts and Nevis, KOR - Republic of Korea, KWT - Kuwait, LAO - Lao People's Democratic Republic, LBN - Lebanon, LBR - Liberia, LBY - Libyan Arab Jamahiriya, LCA - Saint Lucia, LKA - Sri Lanka, LSO - Lesotho, LTU - Lithuania, LVA - Latvia, MAC - Macao, MAR - Morocco, MDA - Moldova, MDG - Madagascar, MDV - Maldives, MEX - Mexico, MHL - Marshall Islands, MKD - the former Yugoslav Republic of Macedonia, MLI - Mali, MLT - Malta, MNG - Mongolia, MOZ - Mozambique, MRT - Mauritania, MUS - Mauritius, MWI - Malawi, MYS - Malaysia, NAM - Namibia, NCL - New Caledonia, NER - Niger, NGA - Nigeria, NIC - Nicaragua, NLD - Netherlands, NOR - Norway, NPL - Nepal, NZL - New Zealand, OMN - Oman, PAK - Pakistan, PAN - Panama, PER - Peru, PHL - Philippines, PLW - Palau, PNG - Papua New Guinea, POL - Poland, PRI - Puerto Rico, PRT - Portugal, PRY - Paraguay, PYF - French Polynesia, ROU - Romania, RUS - Russian Federation, RWA - Rwanda, SAU - Saudi Arabia, SDN - Sudan, SEN - Senegal, SGP - Singapore, SLB - Solomon Islands, SLE - Sierra Leone, SLV - El Salvador, SMR - San Marino, SOM - Somalia, SPM - Saint Pierre and Miquelon, SRB - Serbia, TP - Sao Tome and Principe, SUR - Suriname, SVK - Slovakia, SVN - Slovenia, SWE - Sweden, SWZ - Swaziland, SYC - Seychelles, TCD - Chad, TGO - Togo, THA - Thailand, TJK - Tajikistan, TKM - Turkmenistan, TON - Tonga, TTO - Trinidad and Tobago, TUN - Tunisia, TUR - Turkey, TUV - Tuvalu, TZA - Tanzania, United Republic of, UGA - Uganda, UKR - Ukraine, URY - Uruguay, USA - United States, UZB - Uzbekistan, VCT - Saint Vincent and the Grenadines, VEN - Venezuela, VUT - Vanuatu, PSE - West Bank Gaza, WSM - Samoa, YEM - Yemen, ZAF - South Africa, COD - the Democratic Republic of Congo, ZMB - Zambia.

### Data Source

The source of all data that used in this paper is from the Database of World Development Indicators (<http://data.worldbank.org/data-catalog/world-development-indicators>). In short, FOREST area (in sq. km) is land under natural or planted stands of trees



of at least 5 metres in height *in situ*, whether productive or not, and excludes tree stands in agricultural production systems and trees in urban parks and gardens. GDP per capita is gross domestic product divided by midyear population. Total population (POP) is based on the *de facto* definition of population, which counts all residents regardless of legal status or citizenship (except for refugees), and the number of arrivals (ARRIV) refers to international inbound tourists of each country as a section unit.

### Descriptive Statistics

From the descriptive statistics of Table 1, it is clear that the lowest growth of forest as land area per capita in 1995–2011 was realized in Comoros (about -0.104%) and the largest by the Iceland (4.1%), the disparity being 2.5 times greater in favour of Iceland. If deforestation per capita is defined as a negative forest growth rate from 1995 to 2011, Deforestation is defined as a negative change in forest area, the occurrence of which was found in many countries throughout the world: from 185 countries included as the observation, 122 countries have negative or zero growth rate of forest per capita in the time interval of our observation (see histogram as Figure 1).

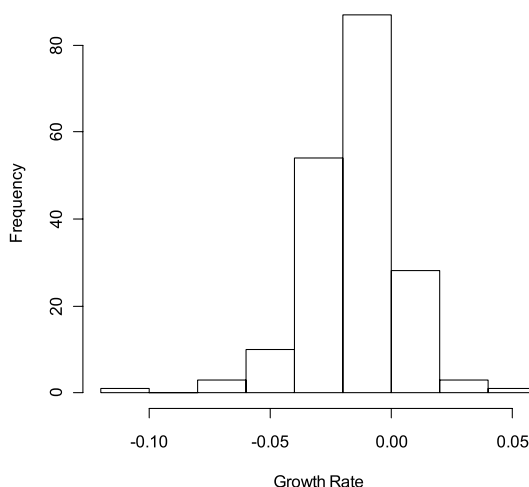


Figure 1 Histogram of Growth Dynamics of Forest per Capita

Source: Calculated by authors

In 1995, the forest per capita gap between the most endowed nation, i.e., Suriname and the least endowed nation in forest, Macedonia, FYR, was so extreme that the ratio of the level of forest per capita between these two countries equalled approximately 141250:1. Because our sample is created from al-

Table 1 Summary Descriptive Statistics

Variable	Mean	Min	Max
<b>gFOREST_PC</b>	-0.015	-0.104 (COM)	0.041 (ISL)
<b>Fo_PC</b>	0.0168	0.0000024 (MKD)	0.339 (SUR)
<b>ARRIV</b>	6793501	1218 (TUV)	74124000 (FRA)
<b>gGDP_PC</b>	0.064	-0.022 (GMB)	0.198 (AZE)
<b>gPOP</b>	0.284	-0.170 (LTU)	2.8 (ARE)

Source: Calculated by authors

most the country units from around the world, high heterogeneity in forest density in each country is not surprising. Regarding population, it is interesting to note that Lithuania, as a country once part the former Soviet bloc now a member of the EU, shows the heaviest rate of depopulation; in contrast, the United Arab Emirates has the highest population growth rate, because of inflows of new labour from abroad.

France is the most developed nation with regards to tourism, i.e. it has the most tourism arrivals; Tuvalu is the most under-developed country, in the sense of tourism. From the Table 1 of the descriptive statistics, it is clear that the lowest income per capita growth in 1995–2011 was realized by Gambia and the largest growth dynamic occurred in the post-Soviet state of Azerbaijan.

### Modelling Deforestation per Capita Convergence: Hypothesis, Results and Evidence

In order to verify FOREST per capita convergence, we first start testing for  $\beta$ -convergence. This analyses whether countries with a lower (normalized) initial level of FOREST per capita have augmented their forest protection in relation to the deforestation at a higher rate, with a simultaneous augmentation of the speed of forest growth per capita than those countries with a higher initial level of forest under the land area per capita. In a very broad sense, in the long run, deforestation is function of pervasive or continuing economic growth, but in the shorter run (i.e. in terms of one generation, or less as in our case), there can be convergence. The latter hypothesis should be additionally clarified. It is known that deforestation historically resulted in excellent agricultural land which eventually supported the Industrial Revolution and remains productive in EU countries to this day. It is perhaps noteworthy that most of EU countries were heavily forested 1000 years ago; nowadays, those countries hinder the process of deforestation by various measures of forest policy protection; the increasing returns in agriculture can be achieved by applying the modern agro-technical measures that leave the remaining stocks of forests intact. The green revolution in agriculture, which greatly increased grain yields per hectare, staved off the threat of mass starvation, predicted in the 1972 bestseller *Limits to Growth*, despite the close-to-projected growth of world population by the end of the 20<sup>th</sup> century.

The empirical test of absolute convergence involves estimating the following equation that relates the growth rate of the level of the  $i$ -th country's FOREST per capita to the log of its initial level, that is:

$$g\text{FOREST\_PC}_i = \alpha + \beta \log(\text{FOREST\_PC}_{i,0}) + u_i$$

where  $g\text{FOREST\_PC}_i$  is the average geometrical growth rate in the level of FOREST\_PC in country  $i$  over the entire sample period,  $\text{FOREST\_PC}_{i,0}$  is the initial level of forest area in thousands squares km (per capita ratio) in country  $i$ ,  $u_i$  is the random error component, and  $\alpha$  and  $\beta$  are estimated parameters.  $\beta$ -convergence holds for  $\beta < 0$ .

The formula for calculating the average geometrical growth rate in the above regression is

$$g = (\text{FOREST\_PC}_{i1} / \text{FOREST\_PC}_{i0})^{(1/16)} - 1$$

We will also test the hypothesis of relative convergence in forest per capita (regression equation 2), which states that the countries with lower forest per capita over time accelerate the growth of forest per capita, while the countries with higher initial forest per capita decelerate the forest growth in the own country over time, due to additional variation of tourism arrivals, economic growth and unequal population growth among them.

$$g\text{FOREST\_PC}_i = \alpha + \beta \log(\text{FOREST\_PC}_{i,0}) + \gamma \log(\text{ARRAV}) + \delta \log(g\text{GDP\_PC}) + \eta \log(g\text{POP}) + u_i$$

The second regression equation does not need to be particularly explained. Specifically, the expected decline of per capita forest growth rates gap is referred to as relative  $\beta$  (beta) convergence (Sala-i-Martin, 1990; Barro & Sala-i-Martin, 1991); that decline should be obtained by the help of additional variables. It is expected that the tourism arrivals and GDP growth rate should positively impact narrowing the gap in the forest per capita endowment among the nations. Furthermore, population growth as a variable is conditioned to widening the differences.

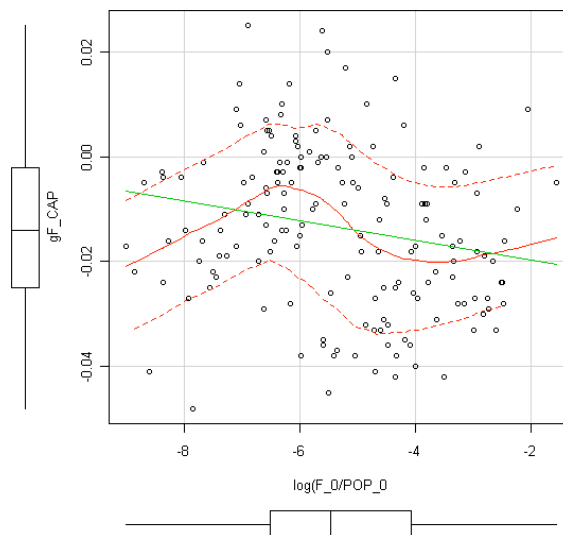


Figure 2 Convergence in Terms of Forest Area per Capita – Across Encompassed Countries, 1995–2011  
Source: Calculated by authors  
Note: Scatter plot based on influence measures criterion

Table 5 (in Appendix) reports the data of the selected countries in the initial year 1995 and the final year 2011. The choice of the initial year depends on those facts: previous periods, or years in falling in between are characterized by missing data.

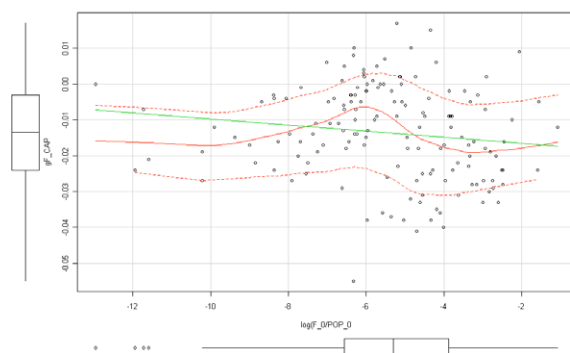


Figure 3 Convergence in Terms of Forest Area per Capita – Across Encompassed Countries, 1995–2011

Source: Calculated by authors

Note: Scatter plot based on so-called good observations

Table 2 Regression of gFOREST\_PC on Log (FOREST\_PCi,o), Absolute Convergence

Explanatory variable	OLS (a)	OLS based on deletion diagnostics (b)	Resistant Regression (c)
A	-0.024 [-4.714]	-0.023*** [5.941]	-0.019*** [-5.588]
B	-0.0006 [-0.935]	-0.002** [-2.652]	-0.001* [-1.927]
N. obs	185	164	182
Adjusted R-squared	-0.001	0.03	0.016
F-stat.	0.874 [0.351]	7.032 [0.008]	2.965 [0.086]
BP-test	2.266 [0.132]	0.046 [0.826]	0.477 [0.489]
RESET	0.525 [0.592]	9.077 [0.000]	0.883 [0.415]
$\lambda$ = speed of convergence	1.187 (118% per year)	-1.332 (133% per year)	-1.182 (118% per year)

Explanatory variable	OLS (a)	OLS based on deletion diagnostics (b)	Resistant Regression (c)
HL= half life of convergence	0.584	0.523	0.585

Source: Calculated by authors

Notes: \*, \*\* and \*\*\* indicate that the coefficients are significant at the ten, five and one per cent levels respectively; in parentheses [] below coefficient indicates t-value, otherwise p-value

- Regression (a) is based on 1995–2011 average growth rates of forest land area per capita and for 187 countries. The t-values are given in parentheses.
- Regression (b) shows the results using all the available data during the 1995–2011 period but excluding the countries found to be outliers based the influence measures criterion. Excluded countries from data set, here, are: ABW, ARE, BHR, COM, DJI, GAB, ISL, KWT, MDW, MLT, MRT, NER, NGA, OMN, PYF, SGT, SUR, TGO, UGA, PSE.
- Resistant regression (c) shows the results using all the available data during the 1995–2011 period; deletion of countries as outliers based on a “bad observation” criterion. Excluded countries, are: ARE, COM, MLT.
- The speed of convergence is obtained according to equation:  $(1 - e^{(-\lambda t)}) / T = -\beta$
- The formula for half life (HL) of convergence in years is  $HL = \ln(2) / \lambda$ , where  $\ln(2)$  is the natural logarithm of 2 (approximately 0.693).

Figures 1 & 2 plot the average annual growth rate of FOREST per capita against the log of the level of FOREST per capita at the start period (1995) for 166 and 184 various included countries, respectively; the number of observations refer to unique data set according to criterion in identifying outliers. The scatter plots show a negative correlation between the growth rate and the initial position. Table 2 displays the results of the regression test. The latter are consistent with the convergence hypothesis as  $\beta$  is less

than zero and significant (t-value greater than value of 2). This implies that countries converged in terms of forest in squares kilometres of land per capita. For the 1990–2005 period, a convergence speed of forest per capita among the various countries is about 118–133 per cent per year and the half-life of convergence is 0.5–0.58 years.

The dangers of using OLS were expressed by Swartz and Welsch (1986, p. 171) in econometrics literature. Outliers can cause the estimate of the regression slope line to change drastically. In the least squares approach, we measure the response values in relation to the mean. However, the mean is highly sensitive to outliers; one outlier can change its value so it has a breakdown point of zero per cent. To address the concern of outliers influencing the results of simple OLS regression (column a in Table 2), we exclude the countries found to be outliers as well as the ones found to be outliers because of individual data points, with leverage higher than three times the mean leverage above or below the sample mean (Kleiber, Zeileis, 2008, p. 99); regression results with excluded countries based on influence measures are located in column b. Otherwise, we perform the least trimmed squares regression as “resistant” regression (in column c) that can withstand alternations of a small percentage of outlying observations (Ibidem, p. 111). By far the best response to outlier problem is to use a robust estimator, such as least trimmed squares. Qualitatively, the results do not change. Importantly, changes in statistically significant coefficients are major in some cases, and some coefficients become significant.

For cross-section regressions, the assumption of constant variance is typically in doubt. The most of the cross-section regressions are plagued by heteroskedasticity problem, and our example is not an exception. The studentized Breusch-Pagan test (Breusch and Pagan, 1979) detect heteroskedasticity in the data with respect to the regressors if its p-value < 0.05 (regressions a and b in Table 3). Therefore, we corrected the standard errors of the OLS regression by the White procedure; White (1980) proposed the heteroskedasticity-robust variance matrix estimator to adjust the standard errors of a regression in the presence of heteroskedasticity.

It should be added that the RESET test (Ramsey, 1969) as a general misspecification test, implies the

rejection of the null hypothesis in the case of both models, based on the influence of the measuring criterion when we remove outliers from total observations as well as OLS regression, which tests the relative convergence hypothesis. Therefore, we find that those models with just a few independent and significant variables are incorrectly specified, but how the models are mis-specified is beyond the concern of this study.

Table 3 Regression of gFORESTPC on Log (FORESTPC<sub>i,t</sub>), Conditional Convergence

Explanatory variable	OLS (a)	OLS based on delation diagnostics (b)	Resistant Regression (c)
$\alpha$	-0.028*** [-4.141] /-2.3256/	-0.009. [-1.988] /-1.946/	-0.003 [-0.616]
$\beta$	-0.001* [-2.177] /-2.0105/	-0.001* [-2.503] /-2.435/	-0.001 [-1.247]
ARIVV	0.001*** [3.185] /2.045*/	0.001. [1.687] /1.835/	0.0003 [0.870]
gGDPpc	-0.001*** [-3.562] /-2.235*/	0.015 [0.835] /0.685/	0.014 [0.653]
gPOP	-0.042*** [-12.706] /-3.048/	-0.061*** [-20.902] /-13.284/	-0.068*** [-18.409]
N. obs	185	163	177
Adjusted R-squared	0.52	0.76	0.70
F-stat.	65.75 [0.000]	180.7 [0.000]	136.6 [0.000]
BP-test	22.287 [0.000]	16.369 [0.001]	3.350 [0.340]
RESET	20.672 [0.000]	10.324 [0.000]	0.841 [0.437]
$\lambda$ = speed of convergence	1.187 (119% per year)	-1.165 (116% per year)	-1.179 (118% per year)
HL= half life of convergence	0.584	0.594	0.587

Source: Calculated by authors

Notes: the t-values between slashes (//) are based on heteroskedasticity-consistent estimates of the variance-covariance matrix

- Regression (b) shows the results using all the available data during the 1995–2011 period but excluding the countries found to be outliers based on the influence measures criterion. Here, the excluded countries from data set, are: ARE, BHR, CYP, KNA, KWT, MKD, MLT, NGA, PYF, SGT, TGO, TUV, URY.
- Resistant regression (c) shows the results using all the available data during the 1995–2011 period; deletion of countries as outliers based on 'bad observation' criterion. Excluded countries are: ARG, ARM, BHR, COM, EGY, KWT, MDA, RWA.

A similar result was confirmed in the case of estimates of beta coefficients in the model of relative convergence; the positive impact of tourism on the convergence rates is observed in the case of the second regression with deleted outliers but unfortunately only at the 10% level of significance of the coefficient, and that only when taken into consideration HC estimate of standard deviation, as a remedy to problem of heteroskedasticity. In line with theoretical expectations, the growth in population dynamics discourages the reduction of the gap in the forest area per capita between countries; this is confirmed in all three regressions.

## Conclusion

This paper uses cross-sectional tests for deforestation convergence, using data on deforestation per capita from 185 very heterogenic countries belonging to the developed, developing as well as emerging market countries over the 1995–2011 period. Our findings suggest that the extension of the augmented Solow model of Mankiw et al. (1992) applied to deforestation, if it includes tourism arrivals, performs remarkably well in explaining cross-country differences in deforestation rate per capita for the aforementioned time period. Including tourism arrivals, GDP per capita and population growth improves the explanatory power of the model, in contrast to model of absolute convergence, which comes without conditioned variables and only with an initial explanatory variable. For the OLS regression based on dele-

tion diagnostics, which considers the highest levels of robustness, the coefficients on the tourist arrivals remain significant at the 10 per cent level for the forest growth. The positive link between tourist arrivals and subsequent forest growth does not appear to be driven by outliers or due to deletion. The growth of the global population has a strong negative impact on the renewal and growth of forest reserves, while the impact of economic growth per capita seems to be insignificant in regressions without outliers

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## Appendix

Table 5 The Distribution of the Deforestation Rate, Forest per Capita, Tourism Arrivals, Population and the GDP per Capita in 1995 and 2011

Country	gFOREST	FOREST_o	FOREST_11	ARRAVER	gPOP	gFOREST_ CAP	gGDPpc
ABW	0.003	4	4.2	717470.6	0.27	-0.012	0.027
AND	0	160	160	2530846.2	0.22	-0.012	NA
AFG	0	13500	13500	NA	0.66	-0.031	NA
AGO	-0.002	603520	584494.4	163176.5	0.67	-0.033	0.17
ALB	0	7790	7790	885000	-0.06	0.004	0.118
ARB	-0.014	926413.8	739325.4	56177779	0.42	-0.035	0.08
ARE	0.009	2775	3202.7	4220454.6	2.8	-0.072	0.021
ARG	-0.008	333270	293077.8	3586705.9	0.17	-0.018	0.027
ARM	-0.014	3255	2597.7	276882.4	-0.08	-0.009	0.134
ASM	-0.002	182.2	176.5	29807.1	0.05	-0.005	NA
ATG	-0.002	101.5	98.3	235941.2	0.29	-0.018	0.036
AUS	-0.003	1547100	1474486.9	5001705.9	0.24	-0.016	0.072
AUT	0.001	38070	38683.7	19309059	0.06	-0.002	0.032
AZE	0	9360	9360	933000	0.19	-0.011	0.198
BDI	-0.022	2435	1705.8	98062.5	0.54	-0.048	0.027
BEL	NA	NA	NA	6614705.9	0.09	NA	0.032
BEN	-0.011	54110	45333.4	152588.2	0.63	-0.041	0.046



Country	gFOREST	FOREST_o	FOREST_11	ARRAVER	gPOP	gFOREST_ CAP	gGDPpc
BFA	-0.01	65475	55749.2	194705.9	0.59	-0.038	0.065
BGD	-0.002	14810	14343.1	232000	0.28	-0.017	0.054
BGR	0.011	33510	39920.2	4206000	-0.13	0.02	0.101
BHR	0.037	3	5.4	5546294.1	1.29	-0.015	0.049
BHS	0	5150	5150	1521352.9	0.31	-0.017	0.036
BIH	0	21975	21975	226933.3	0.09	-0.005	0.147
BLR	0.005	80265	86932.7	123764.7	-0.07	0.01	0.1
BLZ	-0.007	15375	13740.5	206764.7	0.53	-0.033	0.029
BMU	0	10	10	302823.5	0.08	-0.005	0.06
BOL	-0.005	614430	567076.6	482352.9	0.35	-0.024	0.062
BRA	-0.005	5603910	5172023	4475117.7	0.22	-0.017	0.063
BRB	0	83.6	83.6	523176.5	0.07	-0.004	0.038
BRN	-0.004	4050	3798.4	177625	0.38	-0.024	0.06
BTN	0.003	30880	32396.1	16058.8	0.43	-0.019	0.094
BWA	-0.01	131265	111766.6	1294875	0.25	-0.024	0.061
CAF	-0.001	230530	226869.1	18687.5	0.35	-0.02	0.024
CAN	0	3101340	3101340	18017235	0.17	-0.01	0.06
CHE	0.004	11725	12498.3	7583250	0.12	-0.003	0.038
CHI	0	8	8	NA	0.11	-0.007	NA
CHL	0.003	155485	163118.6	2029176.5	0.2	-0.008	0.07
CHN	0.014	1670705.5	2086926.6	39013529	0.12	0.007	0.147
CIV	0.001	102750	104406.4	228000	0.36	-0.018	0.03
CMR	-0.01	232160	197674.4	515000	0.52	-0.036	0.042
COG	-0.001	226413	222817.4	48235.3	0.55	-0.028	0.097
COL	-0.002	620140	600590.4	1200294.1	0.29	-0.018	0.067
COM	-0.081	100	25.9	21176.5	0.5	-0.104	0.036
CPV	0.012	699	846	173764.7	0.23	-0.001	0.074
CRI	0.004	24700	26329.1	1415529.4	0.36	-0.015	0.061
CSS	0	327795	327795	5205352.9	0.12	-0.007	0.065
CUB	0.016	22465	28960.5	1840470.6	0.03	0.014	0.05
CYM	0.001	124	126	315176.5	0.79	-0.035	NA
CYP	0.003	1663.6	1745.3	2332058.8	0.31	-0.014	0.046

Country	gFOREST	FOREST_o	FOREST_11	ARRAVER	gPOP	gFOREST_ CAP	gGDPpc
CZE	0.001	26330	26754.5	9156444.4	0.02	0	0.085
DEU	0.001	109085	110843.5	20394588	0	0.001	0.023
DJI	0	56	56	27142.9	0.28	-0.015	0.043
DMA	-0.006	487	442.3	72882.4	0	-0.006	0.05
DNK	0.01	4655	5458.4	5349529.4	0.06	0.006	0.035
DOM	0	19720	19720	3194882.4	0.27	-0.015	0.063
DZA	-0.006	16230	14740.1	1253823.5	0.29	-0.022	0.085
ECU	-0.018	128290	95934.9	754235.3	0.35	-0.036	0.054
EGY	0.02	515	707	7113882.4	0.3	0.004	0.072
EMU	0.005	916152.6	992258.5	261382468	0.07	0.001	0.033
ERI	-0.003	15985	15234.7	142352.9	0.74	-0.037	0.061
ESP	0.011	154031	183496	49259824	0.19	0	0.046
EST	0.001	21665	22014.3	1514470.6	-0.07	0.006	0.114
ETH	-0.011	144095	120722.9	241058.8	0.57	-0.038	0.063
FIN	0	221740	221740	3132571.4	0.05	-0.003	0.041
FJI	0.003	9666.7	10141.3	461235.3	0.12	-0.004	0.034
FRA	0.004	149450	159307.2	74124000	0.1	-0.002	0.03
FSM	0	637.2	637.2	18538.5	-0.04	0.002	0.024
GAB	0	220000	220000	188818.2	0.48	-0.024	0.061
GBR	0.004	27020	28802.1	25611294	0.09	-0.001	0.041
GEO	-0.001	27736	27295.5	771941.2	-0.05	0.002	0.114
GHA	-0.021	67710	48214.3	501125	0.48	-0.045	0.093
GIN	-0.005	70840	65380.4	33583.3	0.42	-0.027	-0.002
GMB	0.004	4515	4812.8	97176.5	0.63	-0.026	-0.022
GNB	-0.005	21680	20009.1	13750	0.43	-0.027	0.063
GNQ	-0.007	18015	16099.9	NA	0.62	-0.037	0.302
GRC	0.008	34500	39191.1	13552059	0.05	0.005	0.048
GRD	0	169.9	169.9	120470.6	0.05	-0.003	0.064
GRL	0.006	2	2.2	NA	0.02	0.005	NA
GTM	-0.014	44780	35736.7	1138941.2	0.47	-0.038	0.051
GUM	0	258.8	258.8	1188647.1	0.11	-0.006	NA
GUY	0	152050	152050	111176.5	0.09	-0.005	0.087

Country	gFOREST	FOREST_o	FOREST_11	ARRAVER	gPOP	gFOREST_ CAP	gGDPpc
HND	-0.022	72640	50885.9	587000	0.39	-0.042	0.077
HRV	0.002	18675	19281.6	6600470.6	-0.08	0.007	0.072
HTI	-0.007	1125	1005.4	190764.7	0.28	-0.022	0.05
HUN	0.006	18540	20402.2	9715000	-0.03	0.008	0.074
IDN	-0.009	1089770	943003.5	5382647.1	0.26	-0.023	0.078
IMN	0	34.6	34.6	NA	0.17	-0.01	NA
IND	0.004	646645	689295.3	3609647.1	0.28	-0.011	0.091
IRL	0.019	5500	7432.8	6764588.2	0.27	0.004	0.062
IRN	0	110750	110750	1704352.9	0.25	-0.014	0.101
IRQ	0.001	8110	8240.7	405100	0.56	-0.026	NA
ISL	0.053	135.5	309.6	352117.6	0.19	0.041	0.033
ISR	0.005	1425	1543.4	1996117.7	0.4	-0.016	0.042
ITA	0.009	79795	92094.6	39076294	0.07	0.005	0.039
JAM	-0.001	3427.5	3373.1	1466823.5	0.09	-0.006	0.053
JOR	0	975	975	2532058.8	0.47	-0.024	0.069
JPN	0	249130	249130	5790705.9	0.02	-0.001	0.005
KAZ	-0.002	33935	32865.2	2991916.7	0.05	-0.005	0.146
KEN	-0.003	36450	34739.2	1106437.5	0.53	-0.029	0.058
KGZ	0.009	8474	9780.2	613058.8	0.21	-0.003	0.073
KHM	-0.013	122450	99319.2	1163647.1	0.36	-0.032	0.065
KIR	0	121.5	121.5	4564.7	0.3	-0.016	0.053
KNA	0	110	110	98470.6	0.24	-0.013	0.06
KOR	-0.001	63290	62284.9	5798235.3	0.1	-0.007	0.043
KWT	0.027	42	64.3	143176.5	0.97	-0.016	0.071
LAO	-0.005	169230	156187.6	625470.6	0.34	-0.023	0.081
LBN	0.003	1310	1374.3	1046176.5	0.44	-0.02	0.055
LBR	-0.007	47790	42709.6	NA	0.96	-0.048	0.116
LBY	0	2170	2170	47600	0.29	-0.016	0.003
LCA	0.002	452.5	467.2	275235.3	0.22	-0.01	0.041
LIE	0.002	67	69.2	54823.5	0.18	-0.008	NA
LKA	-0.011	22160	18565.7	475529.4	0.15	-0.02	0.09
LSO	0.005	410	444.1	250545.5	0.16	-0.004	0.059

Country	gFOREST	FOREST_o	FOREST_11	ARRAVER	gPOP	gFOREST_ CAP	gGDPpc
LTU	0.006	19825	21816.3	1429705.9	-0.17	0.017	0.124
LVA	0.003	32070	33644.5	1002000	-0.17	0.015	0.125
MAR	0.001	50330	51141.3	5487470.6	0.19	-0.01	0.059
MDA	0.012	3215	3891.1	17176.5	-0.03	0.014	0.093
MDG	-0.004	134070	125742.2	186470.6	0.61	-0.033	0.042
MDV	0	9	9	539705.9	0.36	-0.019	0.091
MEX	-0.004	685210	642647.9	20921588	0.25	-0.018	0.065
MHL	0	126.4	126.4	6094.1	0.03	-0.002	0.02
MKD	0.004	9350	9966.7	190764.7	0.07	0	0.05
MLI	-0.006	136765	124210.2	118411.8	0.6	-0.035	0.064
MLT	0	3	3	1191529.4	0.12	-0.007	0.052
MMR	-0.01	370430	315405.5	225705.9	0.15	-0.019	NA
MNA	0.001	207446.8	210791	31547271	0.33	-0.017	0.081
MNG	-0.007	121265	108373.6	267176.5	0.2	-0.018	0.106
MNP	-0.005	327.9	302.6	482941.2	-0.07	0	NA
MOZ	-0.005	422830	390243	914727.3	0.54	-0.031	0.084
MRT	-0.027	3660	2362	27000	0.59	-0.055	0.039
MUS	-0.006	387.5	351.9	715117.6	0.15	-0.014	0.057
MWI	-0.009	37315	32289.5	448000	0.55	-0.036	0.061
MYS	-0.005	219835	202892.6	14518177	0.39	-0.025	0.055
NAC	0.001	6084000	6182077.5	68526471	0.17	-0.009	0.037
NAM	-0.009	83970	72661.2	731764.7	0.34	-0.027	0.055
NCL	0	8390	8390	101235.3	0.32	-0.017	NA
NER	-0.02	16365	11844.9	56764.7	0.8	-0.055	0.041
NGA	-0.035	151855	85874.9	2902882.4	0.51	-0.06	0.152
NIC	-0.019	41640	30634.8	618823.5	0.27	-0.033	0.04
NLD	0.002	3525	3639.5	9533705.9	0.08	-0.003	0.039
NOC	0	8232017	8232017	101137320	0.09	-0.005	0.079
NOR	0.006	92155	101411.4	3628588.2	0.14	-0.002	0.069
NPL	-0.011	43585	36515.5	446647.1	0.32	-0.028	0.076
NZL	0.002	79930	82526.5	2146785.7	0.2	-0.009	0.049
OMN	0	20	20	791750	0.4	-0.021	0.084

Country	gFOREST	FOREST_o	FOREST_11	ARRAVER	gPOP	gFOREST_ CAP	gGDPpc
OSS	-0.003	526713.5	501992.2	5690586.6	0.32	-0.02	0.069
PAK	-0.021	23215	16530.7	645235.3	0.39	-0.041	0.06
PAN	-0.006	35805	32518.1	743058.8	0.36	-0.025	0.073
PER	-0.002	696845	674877.3	1334470.6	0.24	-0.015	0.064
PHL	0.008	68435	77740.4	2495470.6	0.37	-0.011	0.051
PLW	0.002	389	401.6	72647.1	0.19	-0.009	0.041
PNG	-0.005	308280	284521.2	81529.4	0.49	-0.029	0.037
POL	0.003	89700	94103.8	15634118	0	0.003	0.085
PRI	0.025	3755	5574.3	3343764.7	0	0.025	0.054
PRK	-0.019	75670	55670.8	NA	0.13	-0.027	NA
PRT	0.002	33735	34830.9	5868823.5	0.05	-0.001	0.042
PRY	-0.009	202625	175336.2	369058.8	0.37	-0.028	0.045
PSS	0	39905.8	39905.8	774708.2	0.22	-0.012	0.033
PYF	0.044	800	1593.3	195941.2	0.26	0.029	-1.000
ROU	0.002	63685	65753.8	6128764.7	-0.11	0.009	0.116
RUS	0	8091092	8091092	20555941	-0.03	0.002	0.106
RWA	0.019	3310	4473.2	434750	0.97	-0.023	0.059
SAS	0.002	794804	820622.8	6091694.8	0.29	-0.014	0.085
SAU	0	9770	9770	9405307.7	0.5	-0.025	0.074
SDN	-0.018	734362	549153.8	195764.7	0.49	-0.042	0.082
SEN	-0.005	91232	84200.9	805555.6	0.53	-0.031	0.042
SGP	0	23	23	6777000	0.47	-0.024	0.048
SLB	-0.002	22960	22236.2	13000	0.5	-0.027	0.007
SLE	-0.007	30200	26989.5	28705.9	0.49	-0.032	0.052
SLV	-0.014	3545	2829.1	862294.1	0.09	-0.019	0.052
SOM	-0.011	78985	66173.7	NA	0.56	-0.038	NA
SST	-0.002	894414.3	866218.4	12234054	0.26	-0.016	0.064
STP	0	270	270	9588.2	0.4	-0.021	NA
SUR	0	147760	147760	109941.2	0.22	-0.012	0.108
SVK	0	19215	19215	6080888.9	0.01	0	0.086
SVN	0.002	12105	12498.2	1381941.2	0.03	0	0.054
SWE	0.002	273350	282229.6	3966117.7	0.07	-0.002	0.043

Country	gFOREST	FOREST_o	FOREST_11	ARRAVER	gPOP	gFOREST_ CAP	gGDPpc
SWZ	0.009	4950	5713	553941.2	0.26	-0.005	0.042
SYC	0	407	407	140411.8	0.16	-0.009	0.037
SYR	0.013	4020	4942.8	3249235.3	0.53	-0.014	NA
TCA	0	344	344	195823.5	1.07	-0.044	NA
TCD	-0.007	127135	113619.6	65000	0.73	-0.04	0.104
TGO	-0.048	5855	2665.1	96941.2	0.51	-0.072	0.041
THA	-0.001	192765	189703.8	11420059	0.13	-0.009	0.038
TJK	0	4090	4090	218750	0.35	-0.019	0.089
TKM	0	41270	41270	88333.3	0.22	-0.012	0.152
TLS	-0.014	9100	7262.3	34500	0.36	-0.033	NA
TON	0	90	90	37705.9	0.09	-0.005	0.041
TTO	-0.003	2371.5	2260.2	387000	0.06	-0.007	0.094
TUN	0.02	7400	10158.6	5515764.7	0.19	0.009	0.049
TUR	0.009	99130	114409.9	17328000	0.25	-0.005	0.085
TUV	0	10	10	1217.6	0.07	-0.004	0.078
TZA	-0.011	394785	330751.1	560882.4	0.55	-0.038	0.07
UGA	-0.024	43100	29219.6	456411.8	0.69	-0.056	0.029
UKR	0.002	93920	96970.9	13434529	-0.11	0.01	0.087
URY	0.027	11660	17857.7	1972529.4	0.05	0.024	0.054
USA	0.001	2982650	3030732	50206412	0.17	-0.009	0.035
UZB	0.003	31285	32820.9	559937.5	0.29	-0.013	0.062
VCT	0.003	256.5	269.1	76117.6	0.01	0.002	0.059
VEN	-0.006	505885	459445.4	621117.6	0.34	-0.024	0.075
VIR	-0.008	227.5	200.1	519294.1	-0.02	-0.007	NA
VNM	0.018	105440	140271.6	2986294.1	0.22	0.005	0.111
VUT	0	4400	4400	65176.5	0.44	-0.022	0.055
PSE	0.001	90.8	92.3	227375	0.59	-0.027	0.041
WSM	0.008	1505	1709.6	96411.8	0.1	0.002	0.068
YEM	0	5490	5490	428647.1	0.55	-0.027	0.097
ZAF	0	92410	92410	6773294.1	0.32	-0.017	0.045
COD	-0.002	1588060	1537997.3	60294.1	0.52	-0.028	0.066
ZMB	-0.003	519670	495279.3	562117.6	0.54	-0.03	0.083



Country	gFOREST	FOREST_o	FOREST_11	ARRAVER	gPOP	gFOREST_ CAP	gGDPpc
ZWE	-0.018	205290	153515.3	2000647.1	0.15	-0.026	0.019

Source: <http://data.worldbank.org/data-catalog/world-development-indicators>)

# Students' Communication with Employers: The Competitiveness and Employability Perspective

**Marija Rok**

*Faculty of Tourism Studies – Turistica*  
*marija.rok@fts.upr.si*

**Purpose** – This paper discusses the topic of the competitiveness of tourism and hospitality students on the job market. As the current economic recession continues, the tourism and hospitality industry (THI) in Slovenia faces an alarming decrease in revenue, and the employment crisis is expected to worsen. Higher education institutions (HEI) are concerned with the future of their graduates and, therefore, have to equip them with relevant skills, knowledge and attitudes, as well as raise their awareness of the importance of lifelong learning, i.e. formal, non-formal and experiential learning.

**Methods** – Our discussion focuses on students in the second and third years of their studies at the faculty of tourism. The survey evaluates data regarding the amount and the quality of their competencies as well as their job marketability in order to assess their future competitiveness on the job market.

**Findings** – The results indicate that students need to improve their competitive edge by striving to reach a higher level of competencies and to increase their competitive spirit so as to enhance their future opportunities on the job market.

**Originality of the research** – Thus far, little research has been devoted to assessing students' performances in increasing their competitiveness before graduation. This paper aims to provide a feedback tool for both students and the faculty about students' achievements and their awareness of the importance of competence development as well as the ability to demonstrate and present their competencies to employers in the THI.

**Keywords:** tourism and hospitality industry, higher education, employability, competence, competitiveness

## Introduction

It is widely believed that human resources are paramount for the THI, where high standards of service depend on a high-quality, motivated, devoted and enthusiastic workforce. This fact poses a permanent challenge to the educational sphere, which should respond to shortages of staff on the labour market by cooperating more closely with industry, shaping carefully their study programmes and working on the development of their students' competencies. This paper addresses the issue of the competitiveness of higher education students and their ability to obtain a job in the THI.

Contrary to the popular belief that the growth of the THI regularly generates new jobs and therefore assures employment, this is not guaranteed to happen. In fact, the question of the competitiveness of graduates in THI studies has become relevant in the current economic crisis, with its accompanying high unemployment rates and an excess flow of graduates from (too) many educational institutions. Worse yet, the rate of unemployment among young people has traditionally been significantly higher than the overall rate (Trbanc, 2007). Table 1 presents the 2013 unemployment rates in various EU countries and the USA overall and for the people aged 15 to 24.

*Table 1* Unemployment rates in general and youth unemployment, 2014

	Unemployment rate	Youth unemployment rate
EU 28	10.8	23.5
Euro area	11.9	24.0
Austria	4.9	9.2
Germany	5.3	7.9
Greece	27.5	58.3
Italy	12.2	40
Netherlands	6.7	11
Sweden	8	23.6
Slovenia	10.1	21.6
Spain	26.1	55.5
UK	7.6	20.7
USA	7.4	15.5

Source: Eurostat, 2014

At the end of 2013, the youth unemployment rate in the EU28 was 2.2 times the total rate of unemployment; consequently, it has been recognized as one of the focal problems of employment. High youth unemployment rates do merely reflect the difficulties of finding a job for young people; there is also a factor of hidden unemployment, since many young people are extending their studies, postponing their entrance into the working world.

The THI also faces structural unemployment; there is a mismatch between the skills needed on the job market and the available skills of unemployed workers. Traditionally, the industry has suffered from a shortage of skilled labour and a poor image of employment in the THI (Rok & Mulej, 2014). Baum (2006) explains this labour deficit as an unbroken cycle in which those people that the THI would like to employ will not work in the THI, but those not suitable for the THI are willing to work in it.

The question as to how to ensure employment for graduates has been widely studied (e.g., Rok, 2013; Podmenik 2012; Harkison et al., 2011; Rosenberg et al., 2012; Gault et al., 2010; Zehrer & Moessenlechner, 2009; Dacre, Pool, & Sewell, 2007). According to

Hendy Isaac (2012) the emphasis is less on “employ” and more on “ability”. In essence, the emphasis is on developing critical, reflective abilities, with a view to empowering and enhancing the learner. Similarly, Dacre, Pool, and Sewell (2007) highlight the fact that providing opportunities to gain necessary skills, knowledge, understanding and attributes is obviously important, but so too is providing opportunities for reflection on and evaluation of the learning experiences that have already taken place. This analysis provides empirical evidence, reflection and evaluation of students' achievements in competence development and the manner in which they are documented and promoted in application procedures in the case of a faculty of tourism.

### Theoretical Background

Young graduates encounter serious problems when transferring from education to employment. Notwithstanding the figures highlighting the constant growth of tourism accompanied by the demand for a qualified workforce, there appears to be a range of reasons for the difficulties in finding a job in the THI. First, the ability of the economy and society to absorb and to integrate the young graduates into the sphere of work has been consistently weakening (Kramberger & Pavlin, 2007). Further, the apparent extensive range of tourism and hospitality educational opportunities on all levels has led to an over-production of graduates from the higher level of tourism and hospitality studies that far exceeds vacancies. Despite this imbalance, these study programmes continue to attract young people. Unfortunately, graduates have to tolerate jobs for which they are over-educated. Furthermore, new employability skills are required due to changing labour markets, fierce competition among destinations and businesses, technological advances, as well as emerging and likely future workplaces in tourism. Therefore, higher educational institutions must adapt their curricula to new circumstances; nevertheless, there is always a gap between what they offer and what is needed and required by the industry (Zehrer & Moessenlechner, 2009; Lo, 2005). This is one of the reasons employers also recruit graduates from other disciplines. As Amoah and Baum (1997) indicate, when the main

features of tourism education are formed through initiatives by both the tourism environment and the world of education, with no consensus between the two, problems will arise for those on the receiving end of a tourism education.

Therefore, young graduates face several challenges if they want to enter the labour market successfully. Employment and the employability of graduates are studied thoroughly by HEIs. Research reveals data useful for a continuous evaluation of current study programmes, the creation of future ones and their accreditation. By analysing their graduate employment positions, the appropriateness of the acquired knowledge and skills, as well as the missing ones, HEIs gain valuable information to use in adapting to changing circumstances on the labour market and within the tourism sector. However, as Katay and Ratz (2007) emphasize, it is definitely the responsibility of the educational institutions to inform students about the tourism industry's expectations and requirements concerning future employees, to highlight the importance of self-development in those areas where perceived and actual skills are widely divergent, and to offer students competency-based training programmes in order to improve their overall skill profile.

Recent research (Kosi et al., 2012) on graduates from the Faculty of Tourism of the University of Primorska found that of 198 respondents (faculty graduates who finished their studies between 2006 and 2011) 22% were unemployed. However, 63% of those employed stated that their position did not correspond to the level of their education.

Clearly, monitoring the employment figures of graduates is not enough. A question arises: what set of achievements (i.e. skills, knowledge and personal attributes) make graduates more likely to gain employment and succeed in their chosen occupations, with benefits for themselves and the economy? The present analysis concentrates on the attributes, attainments, experience and attitudes of candidates that can be expressed when applying for a job/placement in documents that are usually required by employers, i.e. the candidate's CV and the motivation letter.

## Empirical Study

### Methodology

According to Hillage and Pollard (1998), there are several prerequisites for gaining and maintaining employment:

1. one's assets in terms of knowledge, skills, and attitudes,
2. the way one uses and deploys those assets,
3. the way one presents them to employers,
4. the context within which one seeks work, i.e. the labour market environment and personal circumstances.

We followed this framework and assessed students' competitiveness through these components, excluding conditions on the labour markets, which is an external factor, outside of the students' control as well as personal circumstances. Therefore, our analysis concentrated on individual capabilities, considering students' statements, perceptions and judgements of their own abilities. All individuals' engagements and investments before and during their study are recorded in documents; i.e. their curricula vitae (CVs) as well as the cover letters that they present when they apply for a job or placement. We considered the competencies of students from the cohort fulfilling their duties in the 5<sup>th</sup> and 6<sup>th</sup> semesters of their undergraduate professional programme; the students were about to carry out a placement, most of them in the summer. Placements are a part of the faculty curricula; they are evaluated, graded (pass/fail) and credited after reviews by the faculty coordinator. Beforehand, students attend a short practicum at the faculty, a session preparing them to obtain the appropriate employer, assignments and performance. At the end of the practicum, students have to present CVs and motivation letters.

The sampling was purposive and non-random. The cohort comprised 149 students; 124 of them completed the documents (yielding a response rate of 83%), while 25 did not participate. A total of 82.2% students were enrolled full-time, 68.5% of them were females. Table 2 summarizes the general characteristics of the survey sample.

Table 2 Descriptive characteristics of the survey sample

Students	Professional study programme			Total
	Tourism Destination Management	Tourism Enterprise Management	Cross-cultural Mediation in Tourism	
2nd year	-	48	-	48
3rd year	50	-	26	76
Full-time	31	45	26	102
Part-time	19	3	-	22
Females	37	29	19	85
Males	13	19	7	39

### Research Questions

In the present study, relationships between students' competencies (skills gained, knowledge, and other abilities) and their impacts on students' competitive advantages in searching for jobs in the THI are analysed via the following research questions:

- Does the students' work corroborate their awareness that they have to continuously develop various competencies in order to be competitive in the labour market?
- Are students' work experiences predominately based on their study programme?
- What kind of approach do students adopt in motivation letters to present and promote themselves?
- Has mobility been integrated into students' study and placement performance?
- Do students' CVs reflect their diligence regarding participation in all forms of lifelong learning?

### Data Collection

Each student completed a CV and enclosed a motivation letter for an employer chosen as a target one for the purpose of a placement or a future workplace. Both texts were prepared both in Slovene and in one foreign language. One of the aims of the practicum was to enable students to form the basis of documentation for applying situations both during their studies as well as for the future. Simultaneously, they were encouraged to compose their career profile.

A CV had to follow the Europass CV structure and template, concentrating on essential information that would bring added value to the application. Motivation letters had to follow the usual correspondence structure and rules. Students were encouraged to show originality, i.e. an innovative approach, and to adapt the text to suit the post applied for and the employer's specifics. Further, it was suggested that they emphasize those of their assets that were not included in the CV. Both documents are vital if they want to attract the attention of the recruiter and receive an invitation to a job/placement interview; if applicants do not make the right impact, they waste their opportunity (Rok, 2013).

The study was carried out in order to identify areas of limited competencies. This is relevant because the students were about to finish their studies, and there was limited time to compensate for any deficits.

### Results and Discussion

Following Hillage and Page's (1998) adapted framework (Figure 1) we analysed data structured in the following groups. The findings reported in this section are:

**Assets:** knowledge (what students know), skills (what they do with what they know) and attitudes (how they do it)

In the students' CVs, we searched for data regarding students' prior vocational education and training, because employers consider these to be an advantage. We recorded only tourism and hospitality colleges and faculties since they give strong operational skills and knowledge for a career in the THI;

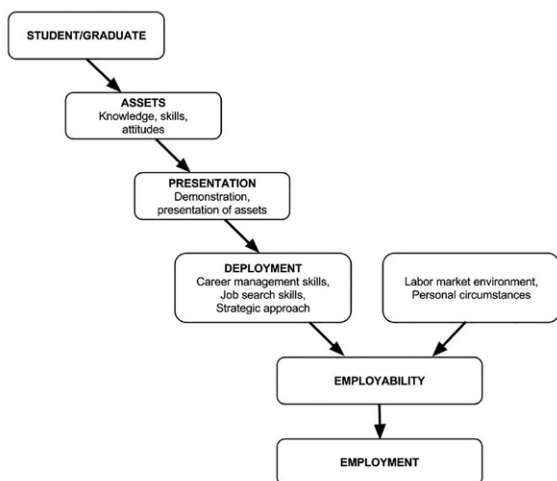


Figure 1 Conceptual framework of employability components employed in the study

Source: Adapted from Hillage and Pollard, 1998

40.7% of students had finished secondary vocational tourism and catering schools and 3.7% of them completed a two-year tourism and hospitality course.

Research (Raybould & Wilkins, 2005; Riley et al., 2002) reveals that the majority of employers in the THI consider only work experience to add value to an individual's competitiveness. Therefore, we placed particular emphasis on this issue. Students reported work experience in various THI areas: food and beverages (28%), front office (48%), event management (4%), travel agencies (15%), tourist information centres (4%) and casinos (4%); 41% of them had fulfilled a mandatory placement in the THI prior to faculty enrolment. The data show that 15% of students had no work experience in the THI, 18.5% had worked three months or less, 37% from three to six months, 11% from six to nine months and 18.5% for more than nine months. Other work experience was derived from students' work in shopping centres, administration, warehouse, at manual labour, etc., while 4% of students reported work experience in voluntary organizations.

We found that 3% of students had no work experience at all, which raised the question of how they expect to impress future employers. Although it has been constantly repeated that work experience is vital for their employability, some students ignore that fact. Students with prior vocational education in tourism and hospitality are endowed with a major

advantage over others. Not only because they possess several work-related skills, but they are also well-acquainted with the industry. Of further importance is the development of networking relationships. Research among Slovene employers (Rok, 2013) in the THI showed that they highly value only those candidates with professional experience in the field. In the case of experience outside the THI, work in other service jobs is also appreciated. Even performing manual, routine work sends a signal to employers, i.e. a student has working habits, shows a willingness to work, etc.

Therefore, the analysis reveals that students do not choose their work experience predominately based on their study programme. Students combine workplaces from various industries; we posit that their choice depends predominately on wage levels. However, in view of their future target work settings, they should choose businesses more carefully.

Research on employability (e.g., Andrews & Russell, 2002) always draws attention to communication skills that are considered to be essential. Katay and Ratz (2007) agree that it is an exceptionally relevant ability in the tourism and hospitality sector. In our analysis, students listed skills, such as "I possess good communication skills", "I am polite, diplomatic and patient", "I obtained these skills through various activities and competitions", "I acquired these skills at work through contacts with guests", "I am a good listener", "I possess the ability to adapt to multi-cultural environments", etc.

We believe that students could go into more detail when describing their communication skills, e.g. intercultural skills (if they host foreign students); mediating skills (from group works); experience giving presentations in class, writing reports, role plays, activities on campus, etc. Similarly, research from other institutions (Andrews & Russell, 2002) as revealed that many students had already accumulated a number of various employability skills but they were not necessarily aware of this or how to make best use of their skills when selling themselves to a prospective employer.

Regarding linguistic competencies, we considered only those with levels B1/B2 (independent user) and C1/C2 (proficient user). All students (100%) perceived their knowledge of English to be an advantage but other languages were far less common: Ger-



man (25%), Italian (15%), Croatian (12%), and Russian (4%). Definitely, these results are far from desirable; for a candidate who has chosen a career in a sector in which one constantly communicates with foreign visitors and partners, this is a rather unfavourable picture, primarily because most students recorded only two languages. Thus, the average student can communicate in English; all other second languages are in spoken only by small minorities of the students. However, the levels given are of their subjective self-evaluation.

Concerning computer skills, students listed mostly competences with the Internet, Microsoft Office programmes (Word, Excel, Power Point), Ganttproject, Photoshop, Publisher, Wordpress, Video Maker, Corel Draw, and Windows Movie-maker. Some students reported that they had mastered computer systems in travel agencies or hotel receptions.

**Presentation (the ability to demonstrate employability assets and present them to the market in an accessible way)**

The motivation letters revealed some disappointing results: the substance of students' letters was rather conservative. Although they were advised to use special, original, innovative approaches, they did not make much effort in this regard. Only two letters stood out as original, by adding a personal touch to a standard letter. However, several students seemed to have copied examples from the Internet. The author posits that this is due to a lack of initiative and demonstrates typical attempts to achieve results without effort. Therefore, though we presumed that motivation letters would demonstrate original, innovative, salient and/or striking approaches, we found hardly any outstanding ones. The students are rather inept at presenting and promoting themselves. Such skills are obviously limited and therefore should be given more attention in faculty curricula. Students have to work on their job marketability; without self-presentation and self-promotion, endeavours their job search will not be effective.

Similarly, more effort has to be made toward revealing one's attributes that match the needs of the employer. The author noticed almost no any proof that the students had concentrated on the employers' needs and specifics, e.g. "As far as I know, knowledge

and professionalism are very important in your company". Although it had been repeatedly stressed that letters have to be tailor-made in order to attract the attention of recruiters students did not make much effort in this direction.

Regarding their personal qualities, students emphasized mostly experiential skills, though research (Harkison et al., 2011) suggests that some managers are more interested in personality. We found these attributes, traits and virtues mostly in motivation letters where students had an opportunity to expose some of their qualities thus suggesting to the recruiter that they would be an asset for a company. Some (not all) students emphasized qualities such as "I am reliable and hardworking", "I am young, independent and enthusiastic", "I like working with people", "I am well-organized, flexible and kind". They also stressed attributes such as "positive approach", "work ethics", "politeness", and "loyalty". Considering the positions they applied for, these qualities could be valuable.

Employers always look for new employees with predispositions for managerial positions (organizational/managerial skills). Students listed skills like "I am goal-oriented", "I am good at motivating team members", "during faculty seminars I am usually the head of the group", "team leader on multiple occasions", "time management is my advantage", "I organized several events for my friends and my family", "I used to guide school groups in my hometown". Although we have a sample of the second- and the third-year students with some experience in this field, we posit that there is room for improvement; such skills can be traced through activities as class representatives, team managers in school assignments, volunteers in university extra-curricular initiatives, experience at organizing events, etc.

Although the diversity of the industry and its subsectors provide working opportunities for a wide array of skills, in recent years there has been a shift within Europe from specific skills towards more generic competencies (ILO, 2001). Therefore, students should pay more attention to revealing their (eventual) team-working skills, problem-solving skills, ability to work under stress pressure or self-management, etc.

Deployment – a linked set of abilities that includes career management skills, job search skills and strategic approach

Only a few students took part in study or placement mobility exchanges; 21% studied abroad, and 13% of them fulfilled placements in other EU countries or the USA. Students' willingness to be mobile seems to be rather limited.

Although the faculty offers several non-formal trainings (e.g. communication skills seminars, successful job interviews, additional language courses, etc.), the students' documents reveal that very few of them participate in these forms of lifelong learning if they are not obligatory. We expected these knowledge and skills to be mentioned in students' documents; there were hardly any mentions of such items. We presume these students had not attended any optional workshops, seminars or other events organized by the faculty, most of which were free.

As to other certificates verifying non-formal learning, we found that 9% students had obtained local licences for guiding tourists. Further, we determined that none of the students obtained national vocational qualification (NVQ) certificates although 23 NVQs in tourism and hospitality are available in Slovenia. However, this result is hardly surprising since research reveals that NVQ certificates have not acquired the reputation of being reliable qualification indicators, neither among employers nor among actual and potential employees in Slovenia (Rok, 2013).

In sum, students' CVs reflect very limited diligence regarding participation in all forms of lifelong learning. We presume that due to limited work experience students have not gone through situations that force staff in the THI to develop and improve their knowledge and skills continuously. Nevertheless, various forms of non-formal learning and adopted skills would be a good signal for employers and would prove a strategic approach to career building.

Surprisingly, students presented a meagre of job-related skills, e.g. "experience in working at the front desk", "mixing cocktails", "reception tasks", "administration tasks", "I know how to make a SWOT analysis", "skills in event management", "marketing skills", "I am experienced in travel agency work". Given the considerable amount of their practical experience in the THI, students could ex-

press more about their skills related to their posts and tasks.

Unfortunately, due to the adopted methodology, diverse job-search techniques could not be explored in detail within this analysis (e.g. job-search patterns, job-interview skills, access to (in)formal networks, etc.)

A number of findings emerged from this study. The motivation letter and CV analysis revealed several disappointing facts. Although we presumed that students' work corroborates their awareness about the need to continuously develop various competencies in order to be competitive in the labour market, we found that students generally lack the curiosity and enthusiasm for learning and development of their capabilities. Their works show relatively poor awareness of the need to expose one's assets in order to be competitive. Clearly, they are not as yet aware of the pace of contemporary business requirements as well as of the increased youth unemployment rates. Though their work experience is limited, deficits in this area can be compensated. The data also demonstrated that some of them consider that placements provide enough work experience; in this they are incorrect, and we expect that their first placement experience will give them a push towards more proactive behaviour.

## Conclusion

This paper reports on the status of students' attitudes, achievements, and endeavours towards a competitive performance on the job market. The implications based on these findings are that the faculty is in need of new techniques and strategies of learning with the aim of improving the students' abilities to obtain work after graduation. Students need to realize that employers in the THI are looking for something in addition to a degree; they seek several additional skills and are sophisticated in identifying them in the recruitment procedures.

The faculty must assist students through raising their awareness about what employers seek in graduates, thereby helping them acquire these skills throughout their studies. The faculty can also help students gather and present their skills and experience in personal development plans and CVs, thus facilitating the articulation of students' skills at job interviews. They should be encouraged to utilise all

forms of learning provided by the university, especially optional forms of lifelong learning, specialized in various fields. In addition, university career services must work closely both with students and employers on the development of employability skills.

In order to enhance graduate employability, the faculty must introduce several new approaches: from the very beginning of their studies, students have to be presented with an overview of the labour market situation and the THI requirements. This process should enhance their motivation to work on their competencies both through formal and non-formal learning experiences. By putting their competencies into practical applications regularly, students can also verify whether the educational system provides relevant knowledge. Moreover, university career centres have to introduce students to career planning. Students need to be informed about employment opportunities so that their study and career decisions are based on choice rather than chance (Kuslivan & Kuslivan, 2000). Alumni clubs must also take part in these activities.

Finally, the limitations of this analysis must be discussed. The findings cannot be generalized beyond this study group. Furthermore, this analysis provides an overall picture of the whole sample of students, while within the sample there were some individuals with excellent documents and some with several basic errors in grammar, spelling and/or business correspondence. Next, this analysis focused only on students' written presentation abilities. However, students' job interview skills should also be studied to gain a more complete understanding of this issue. A large variety of stakeholders (especially recruiters) would also provide further insight into this area. There is clearly a need for further research into the effects of measures taken to improve the situation.

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## Spatial Analysis of Second Homes in the Municipality of Piran

**Miha Koderman**

*University of Primorska, Faculty of Tourism Studies – Turistica  
miha.koderman@fhs.upr.si*

This paper examines the phenomenon of second homes in the municipality of Piran and analyses their role and position in the area. Since the 1970s, intense construction of second home units has been one of the main causes of the transformation in the morphology of several settlements in the municipality. The author spatially analyses the registered second homes in the area and presents selected characteristics of this type of housing stock (location, age and intensity of the phenomenon) on detailed scale maps. The analysed data were obtained from the statistical censuses, the Real Estate Registry of the Surveying and Mapping Authority of the Republic of Slovenia, and the Municipality of Piran.

*Keywords:* Slovenia, second homes, the municipality of Piran, spatial distribution, regional origins of the owners of second homes

### Introduction

Residing in second homes or weekend houses can be considered to be one of the most popular forms of recreation among the diverse leisure-time activities in Slovenia. While second homes can be found in almost all municipalities across the Slovene territory, such buildings are densely distributed across areas that, due to their particular landscape and recreational features, are particularly attractive for tourism. They first began appearing in Bled, which had already begun evolving into a major tourist and health resort at the end of the 19<sup>th</sup> century and where, as stated by Matjaž Jeršič (1968, p. 54), individual visitors from abroad started building villas in the vicinity of Lake Bled for occasional (mostly summer) stays. In addition to Bled, wealthier individuals also built their second homes by Lake Bohinj; prior to World War II, the presence of such buildings in other parts of Slovenia was negligible.

More widespread construction of second homes started in the 1950s, when this form of spending leisure time became popular in mountain, spa and other tourist destinations. The 1960s were marked by a vigorous expansion of the construction of this type of buildings, as this was when the tendency to build or purchase second homes spread from the most popular tourist destinations into rural areas, with the distance of the second home from the place of residence usually not exceeding that of a daily commute. In the 1970s, there was an increase in the number of individuals who not only wished to use their leisure time for engaging in recreational activities but who also wished to make use of the time spent in their second homes for working their gardens, vineyards or orchards, and this in turn led to an increase in the number of second homes being constructed in the winegrowing areas of the Pannonian and Dinaric regions (Gosar, 1987). A similar development could also



be observed in holiday facilities in the Mediterranean part of the country, which is dominated by a mild-er climate as well as a high degree of landscape diversity, mainly reflected in its contact between the land and the sea, its hilly hinterland and its unspoiled cultural and architectural heritage.

According to the Register-Based Census of the Statistical Office of the Republic of Slovenia (hereafter referred to as the SORS) for the year 2011, there was a total of 1,042 second homes registered in the municipality of Piran, which accounts for five per cent of all registered second homes in Slovenia. As a result, the municipality of Piran ranks first among all Slovene municipalities in the number of this type of residence (followed by the municipalities of Bohinj and Kranjska Gora). According to the Census, a total of 10,678 dwellings were recorded in the municipality of Piran, which means that the proportion of second homes accounts for 9.8 per cent of the entire housing stock of the municipality. In this regard, the municipality of Piran ranks sixth in the country, following the municipalities of Bohinj, Kranjska Gora, Bovec, Kostel and Jezersko (the latter two have a substantially smaller housing stock than the other municipalities mentioned) (SORS, 2011). Since the 1950s, second homes have had a significant influence on the settlement and landscape patterns of the municipality of Piran. They occur in a variety of building types, which are presented in greater detail in the following chapters.

### Methodological Explanations

In this study, we used data obtained from SORS, the Surveying and Mapping Authority of the Republic of Slovenia (hereafter referred to as the SMA) and the Municipality of Piran. The data obtained from SORS, on the basis of which we illustrate the numerical quantity of the phenomenon in question, are drawn from censuses conducted between 1971 and 2011. We analysed the information obtained from the SMA Real-Estate Registry and, on the basis of the results, hereby present the spatial distribution of second homes in selected settlements within the municipality of Piran. Furthermore, we obtained records from the Municipality of Piran on the number of payers of the flat-rate tourist tax, i.e. on the owners and co-owners of second homes, based on which we

present an analysis of these individuals' regional origins in the final part of the study.

The Real Estate Register of the SMA was established upon the completion of the Housing Census in 2006 and 2007; it also includes data from the Land Registry and the Building Cadastre. For the purposes of this study, the data acquired from the Real Estate Register were processed according to a number of criteria, with the essential information being whether or not a particular building or its part in the municipality of Piran was being used for leisure (as a second home). From the units found meeting this condition, we further excluded those residences that were not used exclusively for private purposes (among these were mostly rented dwellings, i.e. market-rented, company-rented, and non-profit rented dwellings). As a result, in October 2013, we determined that a total of 1,405 units in the municipality of Piran were used for holiday purposes by their owners. The number of these dwellings is only tentative, because at the time of the census and its subsequent updates, there were instances of the owners either not specifying the actual intended use of the dwelling or misstating this information. This number (1,405) can be compared to the number of second homes as determined from the records of the municipal administration of Piran, which in July 2014 recorded a total of 2,506 flat-rate tourist-tax payers (i.e. owners or co-owners of second home units, whereby it should be noted that an individual second home may be owned by several owners) (Godnič, 2014), or from the Building and Housing Census of 2011, which recorded a total of 1,042 such dwellings (SORS, 2011a).

The Statistical Office completed this census not by collecting data on the ground in the form of statements of owners and tenants, but by using administrative sources and integrating the data obtained from the Central Population Register of the Ministry of the Interior of the Republic of Slovenia, the Building Cadastre and the Real Estate Register of the SMA and the Land Registry, managed by the Supreme Court of the Republic of Slovenia. In interpreting the data from the 2011 Census, and in possible comparisons with the previous census carried out in 2002, it should be noted that certain differences may exist on account of the use of different data collection or data acquisition methods (SURS, 2011b).

The difference in the number of second homes between the Registry-Based Census of 2011 (a total of 1,042 units) and the Real Estate Register of 2013 (a total of 1,405 units) can (to a certain extent) be explained by the fact that the Statistical Office eliminated all those second homes for which it had been determined, with the assistance of the Central Population Register managed by the Ministry of the Interior, that a permanent residence was registered at that address (SORS, 2011b). Despite these numerical differences, it can be estimated that the data from the Real Estate Register ensure a high level of representativeness and reflect to a great extent the actual number of second homes, particularly in the areas of greatest congestion, i.e. in the towns of Piran, Portorož and Lucija. The Real Estate Register is regularly updated and improved; these procedures have gained further momentum with the announcement of the introduction of a new real estate property tax. It should be noted that all the data discussed in this paper are merely official estimates obtained on the basis of the censuses completed by the Statistical Office and the current data of the Surveying and Mapping Authority, and we can therefore assume that the number of second homes in individual settlements within the municipality could be even higher.

### **Geographical Debates on Second Homes in the Municipality of Piran**

Due to its favourable climatic conditions, its proximity to the Adriatic Sea and well-preserved cultural landscape, the Mediterranean-type landscape is an area that has been traditionally attractive to owners of second homes. It is, therefore, not surprising that, according to the SORS Census of 2011, the municipality of Piran recorded the highest number of such buildings (in absolute terms) in the country. Despite this fact, this phenomenon has to date remained relatively unexplored, both in the wider area of the Slovene Istria and in the municipality of Piran specifically. When reviewing geographical and other literature, there seems to be a noticeable lack of studies that would shed light on this issue in a comprehensive manner. Although various geographical surveys have dealt with second homes within the region in a marginal context (they are briefly presented below), none has offered more than somewhat general and thematically limited results.

A 1968 study by Jeršič entitled *Sekundarna počitniška bivališča v Sloveniji in Zahodni Istri* [Secondary holiday residences in Slovenia and western Istria] should be mentioned here as the first exhaustive study on this issue in Slovenia, providing general estimates on the number of such dwellings in this part of the former Yugoslavia (Jeršič, 1968). Second homes in the wider area of the Notranjska and Primorska Regions (Inner Carniola and the Slovene Littoral) were also studied by Anton Gosar (1987b), but the results of this study pertaining to the Slovene Littoral only relate to the area of Kras and Brkini (i.e. the territory of the former municipalities of Sežana, Ilirska Bistrica and Postojna). One of the few studies focusing on selected settlements within the municipality of Piran and also partly touching upon the issue of second homes is Jeršič's 1990 paper entitled *Turistična transformacija Portoroža* [Transformation of Portorož through tourism]. It contains, *inter alia*, cartographic images of the settlement of Portorož across different time periods (the latter half of the 19<sup>th</sup> century, the interwar period and the year 1989); the map showing settlement in 1989 also identifies the residential areas with a tourist offers of private rooms, apartments and holiday homes. The author concludes that, compared to other tourist destinations along the western coast of Istria, the number of second homes in Portorož owned by non-residents is relatively small and highlights the fact that in the settlement there are no neighbourhoods or districts in which this form of housing would dominate. He estimates that in 1989 the share of the housing stock intended for holiday rentals and for non-residents' second homes in Portorož amounted to more than 28 per cent (but does not provide any detailed individual assessments for holiday rentals and second homes/holiday apartments respectively). He sees the reasons for the low number of second homes in this area as a consequence of the following factors: 1) urban regulations or spatial plans that had not envisaged such districts for holiday use, 2) the market offer of cheaper land and building plots in other parts of Istria, and 3) a deterioration in the quality of the sea in this part of the Gulf of Trieste (Jeršič, 1990, pp. 224–228).

Another study addressing the problem of second homes in the area in question is that by Igor Jurinčič, which is aimed primarily at evaluating the tourism-carrying capacity of Slovene Istria (2009,

p. 67). The author notes that the development of second homes was most intense in the 1970s and 1980s, and that they were often built on the most attractive tourist sites, either directly on the coast or in natural parks. He further notes that this type of building was often built illegally just before the proclamation of protected natural areas (or prior to the adoption of tighter measures of control). He mentions that in 1995, within the framework of its spatial planning conditions for the rehabilitation of degraded areas, the municipality of Piran recorded a total of 380 illegal constructions (not all of which were second homes), of which 250 could be legalized, while 130 were scheduled for demolition. Jurinčič sees the primary cause of illegal constructions in a lack of supply of suitable land plots and highlights the need to curb this phenomenon, which he believes could be achieved by designating smaller areas specifically for the construction of second-home settlements. He also raises the problem of unplanned construction of such buildings, especially those of larger proportions or those located in exposed positions, in the middle of farmland and in protected natural areas, without access to public utilities. He proposes an identification of areas where the construction of such facilities would be possible as a measure to promote sustainable tourism outside the most attractive tourist are-

as that need to be preserved for the tourism industry and for public use (Jurinčič, 2009, p. 114).

### The Development and Spatial Analysis of Second Homes in the Municipality of Piran

In this section, we present the growth in the quantity of second homes in individual settlements within the municipality of Piran over the last four decades, as is apparent from the censuses conducted by the Statistical Office (Table 1). Over this period, the number of such buildings has increased by 273.5 index points at the municipal level, with the rapidest growth occurring in the 1970s. Throughout the census years, the numerical increase in this type of dwellings was most significant in the three settlements located directly by the sea: Portorož, Piran and Lucija, while such units remained scarce in the hinterland. In the period between 1971 and 2011, the growth index of second homes was highest in Lucija (1,643 index points), a settlement which had evolved from an agricultural and salt-producing village and merged in the 1970s into a conurbation with the nearby Portorož. According to the Register-Based Census of 2011, the latter recorded the highest number of second homes in the municipality (a total of 349), with the most noticeable numerical increase recorded precisely in the period between the last two census years (2002 and

Table 1 The Number of Second Homes in Selected Settlements within the Municipality of Piran

Settlement	1971	Index Value	1981	Index 1981/1971	1991	Index 1991/1981	2002	Index 2002/1991	2011	Index 2011/2002	Index 2011/1971
Lucija	14	100.0	233	1664.3	288	123.6	372	129.2	230	61.8	1642.9
Parecag	3	100.0	8	266.7	19	237.5	10	52.6	7	70.0	233.3
Piran	160	100.0	230	143.8	259	112.6	370	142.9	320	86.5	200.0
Portorož	145	100.0	195	134.5	227	116.4	216	95.2	349	161.6	240.7
Seča	9	100.0	41	455.6	39	95.1	39	100.0	47	120.5	522.2
Sečovelje	2	100.0	1	50.0	10	1000.0	2	20.0	6	300.0	300.0
Strunjan	40	100.0	65	162.5	43	66.2	49	114.0	72	146.9	180.0
Other*	8	100.0	5	62.5	6	120.0	7	116.7	11	157.1	137.5
TOTAL	381	100.0	778	204.2	891	114.5	1065	119.5	1042	97.8	273.5

Source: SORS, 1971; 1981; 1991; 2002; 2011a.

\* Combined under this category are the values for the following settlements: Dragonja, Nova Vas nad Dragonjo, Padna and Raven/Sveti Peter.

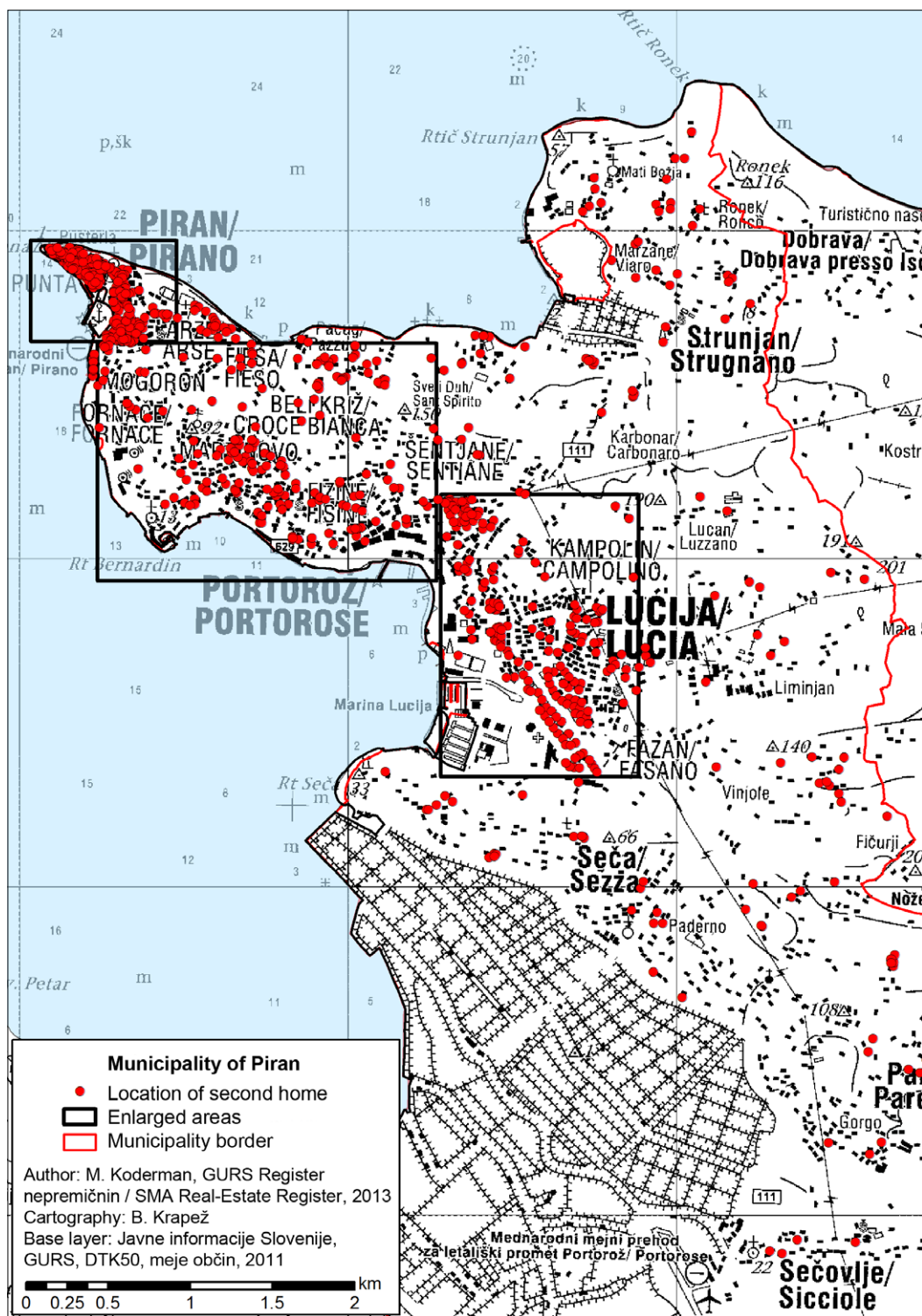


Figure 1 Spatial Distribution of Second Homes in the Municipality of Piran in 2013



2011). From the very outset of the statistical monitoring of second homes, a high numerical representation of such dwellings was also recorded in the town of Piran.

Although in 2011 second homes were present in all eleven settlements of the municipality of Piran, they were rather unevenly distributed in number across individual settlements (SORS, 2011). This can be seen in Figure 1, which is based on data obtained from the Real Estate Register from 2013 (SMA, 2013). Second-home units and apartments are present mainly along the narrow coastal strip of the municipality and, due to their large quantity, represent an important architectural element of the municipality. There are four second-home settlement types to be distinguished: 1) Apartments in older urban buildings within the old town of Piran; 2) apartments in multi-dwelling apartment blocks in Lucija, and 3) detached houses or villas, built on the flysch hillocks rising above the hotel buildings in the heart of Portorož (Beli Križ, Martinovo, Šentjane) and in the hinterland settlements (Seča, Parecag and Sečovlje). This breakdown is based on Jeršič's study (1987, pp. 66-67), which, in addition to the previously mentioned settlement types, also specifies 4) distinct neighbourhoods made up of second homes built in areas systematically designated for this type of construction. It should be added that no such functional areas can be found in the municipality of Piran, although in the early 1960s two tourist settlements were built for this purpose in Lucija and Strunjan according to plans by Edo Mihevc, which, however, lost their original purpose in the process of privatization (the second-home housing units in Strunjan became part of the Terme Krka Talaso Strunjan hotel complex, while in Lucija these units were reconstructed and redesigned for permanent settlement) (Teržan, 2011).

The newer forms of settlement may also include 5) apartment villas purpose-built for holiday use, most commonly constructed in the form of multi-dwelling buildings with luxury apartments. Construction of apartment villas often provokes a negative response on the part of local residents, as such housing often relies on contemporary design, which deviates from the traditional architecture of the area and can thus be perceived as a foreign body in the cultural landscape. In the municipality of Piran, a similar divergence of views occurred regarding the construction

of Villa Artes (located above Koprška Cesta), which the local residents referred to as "Močerad" (Salamander) due to its outer appearance (Ručna, 2005).

Apartment villas are built in larger numbers in attractive locations; in the municipality of Piran, they are built primarily on panoramic terraces rising above the centre of Portorož; examples of such buildings are also the apartment building named "Feral" (located above Belokriška Cesta – Figure 3) and Villa Valeta (in Lucan). Due to the acceleration in construction activity in the early 21<sup>st</sup> century and the presence of several unsold buildings, the real estate market has become saturated, resulting in many newly constructed buildings remaining unsold. Consequently, some of these dwellings have been, at least temporarily, placed on the market for lease.

### The Town Centre of Piran

The historical centre of the town of Piran is protected as a cultural and urban monument and, as such, it is necessary to follow its existing architectural characteristics in the planning and management of the city and to maintain its design, which emphasizes the visibility of the centre in keeping with the surrounding landscape (Kočevar & Plazar Mlakar, 2006). The town itself is in the process of a physical, economic and symbolic transformation, in which an important role is assumed by demographic trends: as a result of the continued decrease in permanent residents, the old town is gradually becoming deserted. This is mainly due to the fact that this population perceives other places within the three municipalities of the Littoral, which are more easily accessible to transport and offer the majority of jobs in the region, as places offering a higher quality of life. Moreover, the existing population of the settlement also has an unfavourable age structure with an aging index of 163, which indicates that for every 100 persons under the age of 15, the settlement is home to a total of 163 people aged over 65 (in 2013, the Slovene average totalled 118 (SORS, 2014a)). In addition to these trends, the municipality of Piran (and the old town as its integral part) is also the municipality most visited by tourists, generating over 1.3 million overnight stays per year (SORS, 2014b).

Thus, as a rule, from September until May, the inhabitants of the old town are faced with oversized general supply facilities, the owners of which reduce

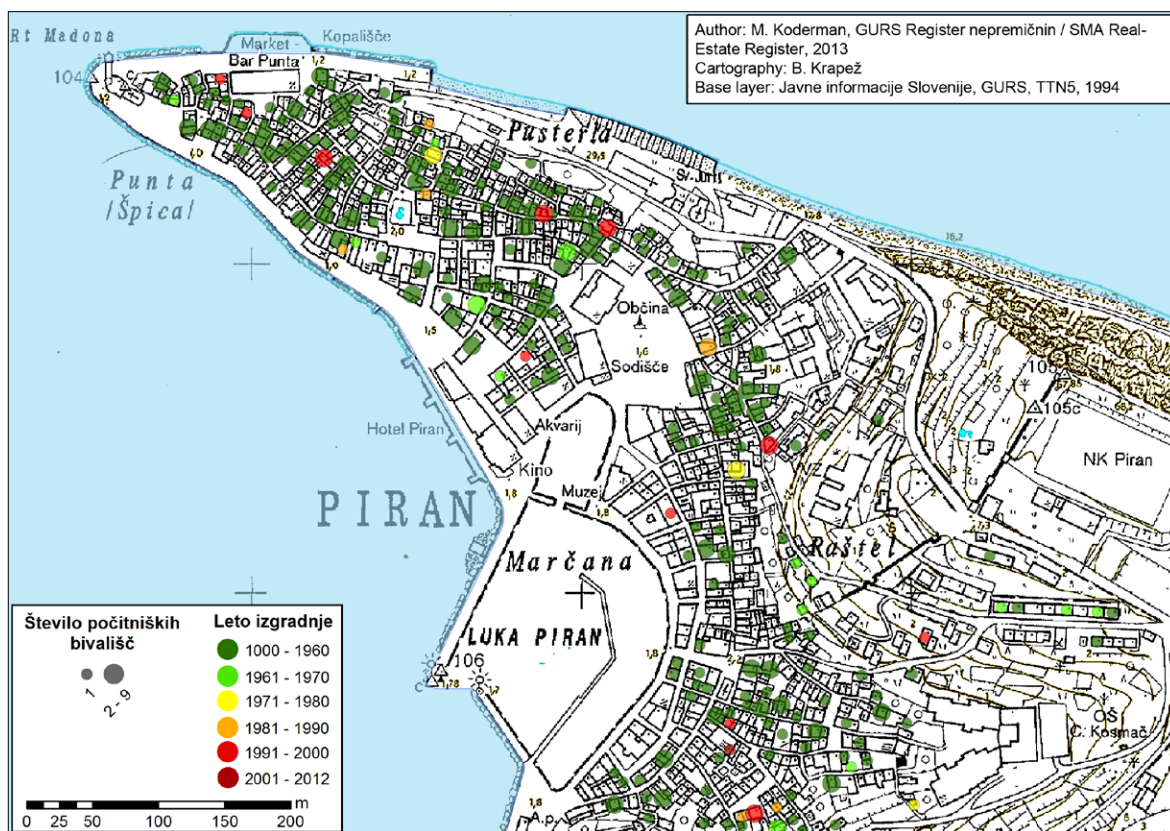


Figure 2 Spatial Distribution of Second Homes in the Town Of Piran in 2013.

their hours of business or even temporary close down due to the lower volume of trade, while during the summer season residents find it difficult to cope with crowded streets and roads, a lack of parking spaces in garages and long queues in stores (the same is also true for refuse collection, and burdens on public sewage and water supply systems ).

During the summer months, the number of temporary residents in the city (in addition to the tourists in the traditional sense of the word) is also significantly affected by numerous individuals who have arranged their second homes in the centre of Piran. According to the last Registry-Based Census by SORS, such dwellings represent a total of 11.3 per cent of all dwellings in the entire housing stock of the settlement (SORS, 2014c) and, as is also evident from Figure 2, are mainly located in buildings built earlier than 1960 (depicted in dark green). In line with the historical urban design of the city, which does not allow for any major construction works in the core of

the town, the majority of the housing stock is based on two- to three-storey buildings, which have in recent decades often undergone interior renovation and refurbishment into multi-dwelling buildings. The sale of such units has brought in higher earnings in comparison to the sale of the entire building and has mainly been intended for holiday use. As is evident from the analysis of the data obtained from the Real Estate Register, shown as maps in Figure 2, individual buildings of the old town most often contain one or two second-home apartments.

According to the available statistical data, the growth index of second homes in the old town core of Piran was highest in the 1970s and 1990s, while in the previous decade, as evident from the latest census data shown in Table 1, their numbers have begun to stagnate or even decline. In the past, the intended use of the buildings in the town core was also analysed by the competent officials at the Municipality of Piran, who compared the census data from the



mid-1970s with those from the census completed in 2006. The first land use analysis was conducted in 1975 as part of the project "Asanacijski načrt mesta Piran" [Sanitation plan for the town of Piran], which was an attempt to create a framework for a comprehensive protection, regulation and revitalization of the town centre. The situation was re-analysed in 2006, when (as a result of adopting new strategic spatial planning acts) there emerged the need to update the existing data and to compare the situation regarding the intended use of buildings with that from 1975. This analysis showed that Piran was undeniably in the process of being transformed into a holiday town, as the share of residential areas was being reduced at the expense of the areas taken up by second homes. The aforementioned studies also observed the surface area (in square meters) within individual buildings within the town centre intended for second homes and found that over the previous three decades the latter had increased by a total of more than 37,000 square meters (from 10,294 to 47,774 square meters), i.e. by 464 index points (Kočevár & Plazar Mlakar, 2006).

Verification of the current situation is difficult and, consequently, there are considerable discrepancies in the presentation of the number of second homes in this area. As mentioned earlier, the Statistical Office estimated the proportion of second homes within the entire housing stock of the city centre to be 11.3 per cent, whereas according to informal estimates, these kinds of dwellings account for one third of all the buildings in the old core of the town (Kalc Furlanič, 2011; Šuligoj, 2012). These discrepancies can be partly attributed to the fact that, due to various circumstances, the owners of second homes decide to declare their permanent residence at their secondary residence; however, in light of the current economic situation, we can conclude that the number of this type of dwelling is no longer increasing at the same rate as in the past.

### **Portorož and Lucija**

The initial stages of the early settlement of Portorož, which is currently the most visited summer tourist centre of the country, date back to Roman times, when individual seaside maritime villas were built in the most attractive locations along the coast of the Istrian bays between Debeli Rtič and Sečovlje (Stokin

& Zanier, 2011 p. 13). They were used as second homes by wealthier individuals, which aptly demonstrates that the phenomenon of spending (leisure) time in second homes has a tradition dating back to antiquity (Coppock, 1977, p. 4; Holloway & Taylor, 2006, p. 23).

The tourism-based development of Portorož, in the sense of modern tourism, began in the first half of the 19<sup>th</sup> century, when this area witnessed an expansion of what was initially spa and wellness tourism, and later coastal tourism. With the construction of the Palace Hotel in the early 20<sup>th</sup> century, Portorož began attracting a growing number of visitors, who had, in turn, a significant impact on the urban development of the place. According to Jeršič (1990, p. 221), it was in this period that the distinctive shape of the settlement began forming, one that has been preserved to this day – the old coastal trail became not only the main road but also offered the main location for tourist activities along its length. Along with a growing number of tourists, there was an increase in the need for greater accommodation capacities, with individual wealthier visitors opting to build their second homes or villas in this area.

As can be seen from Figure 3, the greatest number of second homes in Portorož was built between 1960 and 1970, especially along the coastal belt behind the hotel complexes. The location of most of the dwellings built later tended to recede onto the panoramic terraces above the centre of Portorož. Due to the attractive natural and cultural attributes of the area, the price of coastal plots of land rose sharply over the decades, but according to statistical data (Table 1), it was in the previous decade that Portorož has witnessed the highest numerical increase in second homes. While the newer form of holiday settlement (i.e. apartment villas, which in the municipality of Piran occur mainly in Portorož) has already been highlighted in this paper, in recent years there has also been a noticeable decrease in the number of single-dwelling buildings built exclusively for holiday purposes.

The tourism-based development of Portorož has had a substantial impact on the nearby Lucija, which has evolved from a dispersed agricultural and salt-producing settlement into a tourist destination recording a significant number of second home units. Compared to Portorož, a large number of sec-

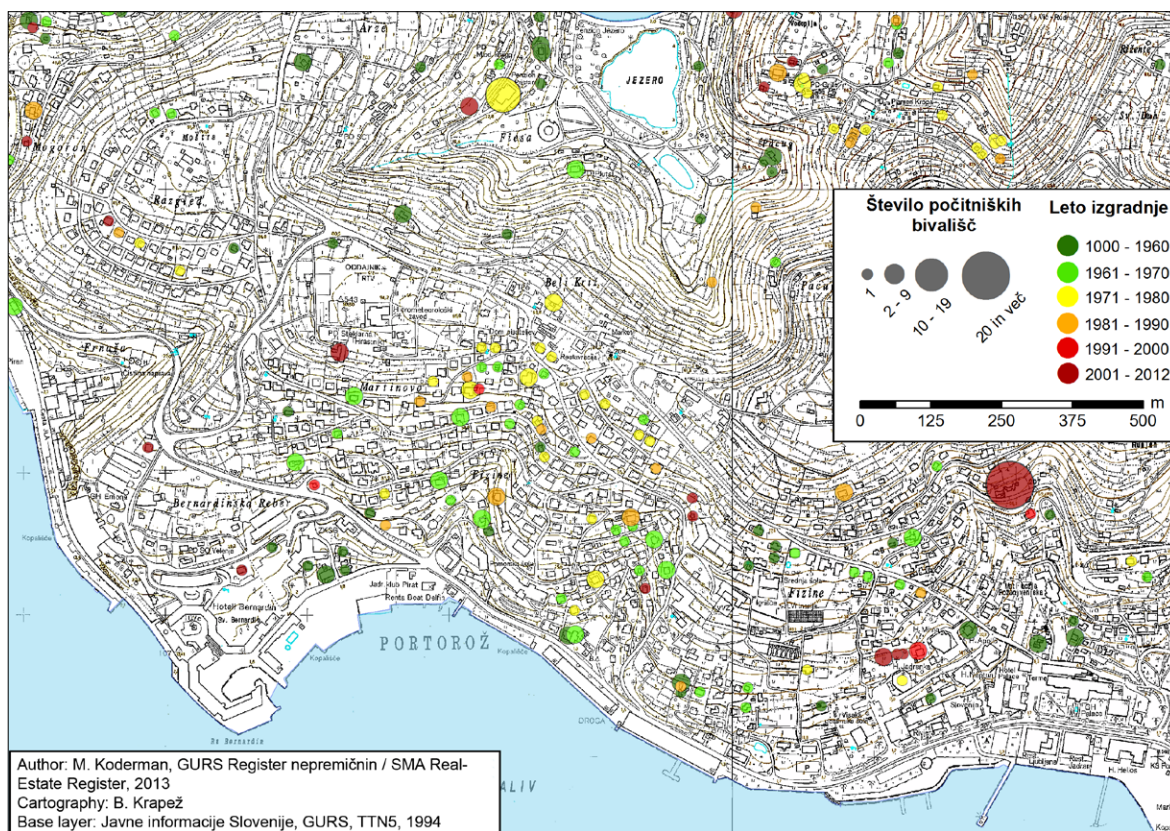


Figure 3 Spatial Distribution of Second Homes in the Settlement of Portorož in 2013

ond homes in Lucija are located in multi-dwelling buildings built mostly in the 1970s and 1980s (Figure 4). During this period, Lucija evolved from a village with only a few second homes into one of the areas most populated with this type of dwellings in the municipality of Piran (Table 1). The prevalence of holiday accommodation has had a significant impact on the quality of life of permanent residents as they are faced with problems similar to those described for the Piran town centre; in addition, in some multi-dwelling apartment blocks, the temporary residents outnumber the permanent residents and consequently the latter end up paying higher heating costs in winter (Šuligoj, 2012). Over the previous decade, only a few units intended for private holiday use have been built in Lucija; according to the Statistical Office census data, between 2002 and 2011 the number of second homes even decreased by more than 100 units. It is difficult to precisely determine a single main cause for such a decline, but we could speculate

that the reasons might lie in the different methodologies of both censuses.

The three areas of the municipality of Piran in question (Piran, Portorož and Lucija) contain nearly 90 per cent of all second homes in the municipality. In the previous decade, a deviation can be detected from the construction of such units in the three settlements, as it is now, more so than in the past, also taking place in other areas of the municipality, especially those near the sea (e.g. in Strunjan and Seča), while in the hinterland of the municipality such dwellings remain relatively modestly represented.

### Regional Origins of Second-Home Owners

Our analysis of the regional origins of the owners and co-owners of second homes in the municipality of Piran was based on the records kept by the municipal administration of the payers of the flat-rate tourist tax. In 2004, a decree was adopted on the tourist tax in the municipality of Piran (*Odlok o turis-*



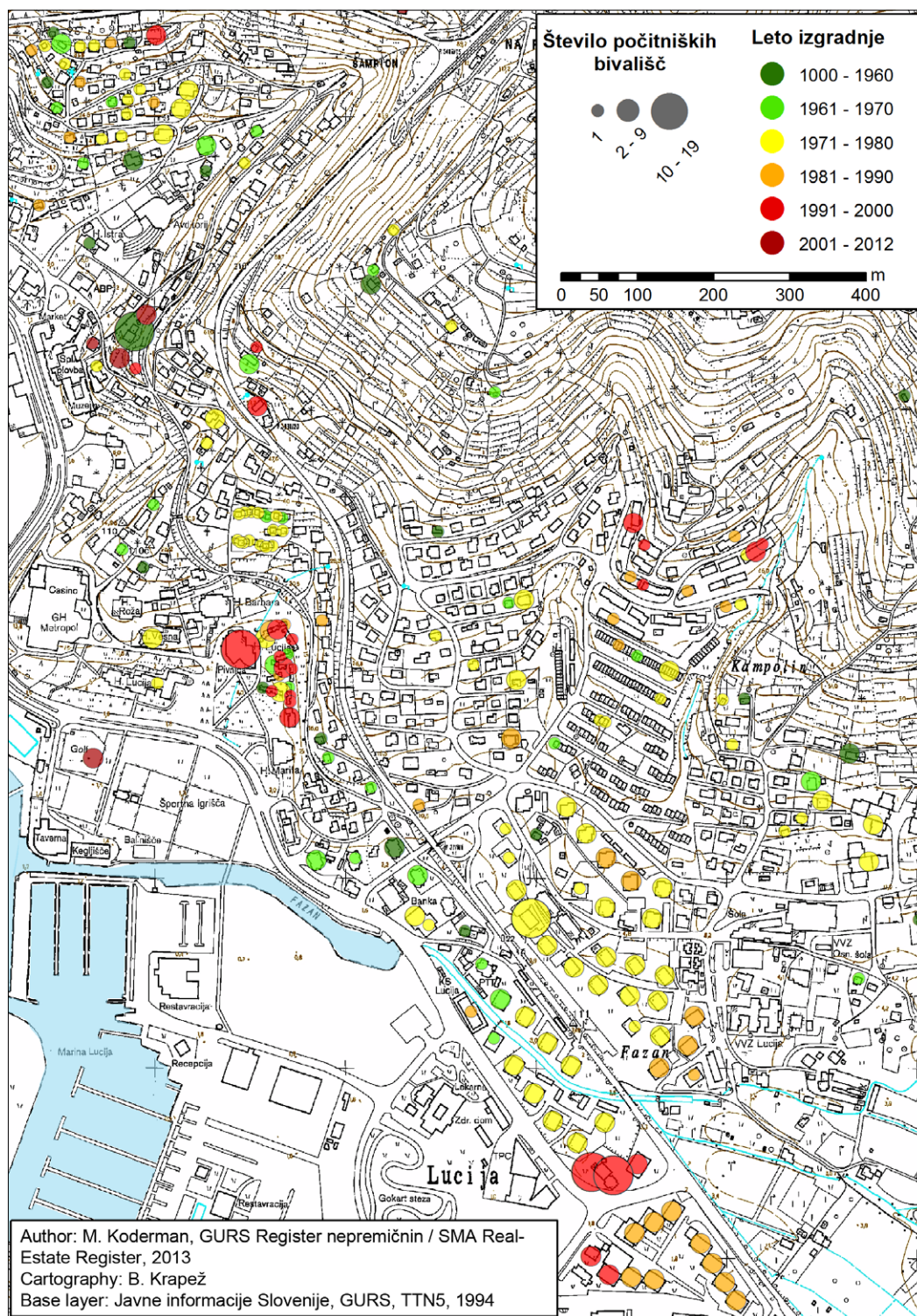


Figure 4 Spatial Distribution of Second Homes in the Settlement of Lucija in 2013

*tični taksi v Občini Piran*, 2004), which entered into force in 2005 and, among other things, required the owners of second homes to pay a flat rate tourist tax (the amount depends on the surface area of the unit). After creating a database of the owners of second homes, which was based on the data regarding persons liable to pay a compensation for the use of construction land to the Tax Administration of the Republic of Slovenia, the first notice regarding the payment of the flat-rate tourist tax were sent to the owners or co-owners of second homes in 2006. Since then, the records of the payers of the flat-rate tourist tax have been regularly updated and in July 2014, when we obtained these records from the municipal administration, they included a register comprising a total of 2,506 owners and co-owners of second homes (of whom 2,265 were Slovene citizens and 241 were from other countries). In order to understand this data, attention should be drawn to the fact that these are records of both owners and co-owners, which means that a single second home unit may be owned by one, two or even several owners (to whom the municipality then sends a notice regarding the payment of a flat-rate tourist tax according to their proportionate share of ownership) (Godnič, 2014). Due to personal data protection, we only obtained a list of the places of the primary residence of owners and co-owners of second homes from the municipality, but not their full addresses.

According to the records of the municipal administration, the greatest share of owners and co-owners of second homes come from the municipality of Ljubljana: 42.1 per cent of all owners and co-owners. As many as 54.4 per cent of all second homes owners and co-owners had their primary residence registered in places within the entire Central Slovenia Statistical Region. A total of 7 per cent of all owners and co-owners came from the Drava Statistical Region, followed in equal shares (5.9 per cent) by the owners and co-owners from the Coastal-Karst and Gorenjska Statistical Regions. The owners and co-owners of second home units registered as permanent residents of the remaining eight statistical regions totalled only 17 per cent. All in all, the flat-rate tourist-tax payers from Slovenia were residents of 420 different towns and villages within the country (Godnič, 2014).

It should also be noted that despite the significant impact of the settlement areas of Ljubljana and central Slovenia, the Municipality of Piran shows a relatively high degree of heterogeneity in the ownership of second homes in terms of the regional origins of their owners. This is evident from the associated comparative analyses carried out in the municipalities of Bohinj and Kranjska Gora, which follow the municipality of Piran by the number of second homes (according to the Census of 2011). Thus, in 2012, for example, the share of all owners and co-owners of second homes in the municipality of Bohinj with a permanent residence in the area of Ljubljana amounted to 53.4 per cent, while two thirds (66.7 per cent) of all owners and co-owners of second homes in the municipality had a primary residence in the Central Slovenia Statistical Region (Koderman & Salmič, 2013). In the municipality of Kranjska Gora, the structure of regional ownership in 2011 was slightly more homogenous: a total of 61 per cent of all owners and co-owners of second homes came from the area of Ljubljana and as many as 77.4 per cent came from the Central Slovenia Statistical Region (Salmič & Koderman, 2013).

Most of the owners and co-owners of second homes in the municipality of Piran whose permanent residence was registered abroad (a total of 241, or 9.6 per cent) came from Italy (2.9 per cent), Austria (1.9 per cent) and Germany (1.2 per cent). They were followed by second-home owners from the Czech Republic and Sweden (the respective share for each country amounting to 0.4 per cent), the United States, Great Britain and Croatia (the share for each country amounting to 0.3 per cent) and eleven other countries (Godnič, 2014). For the purpose of comparison, the proportion of the owners and co-owners with permanent residence as evidenced by the municipalities of Kranjska Gora and Bohinj amounted to 5 per cent (Salmič & Koderman, 2013) and 4.7 per cent (Koderman & Salmič, 2013), respectively. The records of the flat-rate tourist-tax payers in the municipality of Piran show no people with a permanent residence registered in the Russian Federation, the citizens of which often appear in the media in the role of investors into tourism activities in Slovenia (which, at the same time, does not imply that they are not owners of real estate in this municipality).

## Conclusion

This paper has presented selected aspects of second homes in the municipality of Piran, examining in particular on their spatial development, the intensity of settlement and the regional origins of their owners. The cartographic images define their spatial distribution, with particular emphasis placed on areas with the greatest number of second homes: the town centre of Piran, Portorož and Lucija. In these areas, we also analysed the history and intensity of the phenomenon by individual buildings. The data presented show the extent of this type of dwelling in the municipality, which in certain places led to the transformation of the cultural landscape decades ago as they established themselves as integral elements of it.

Some of the current issues related to second homes (e.g. unplanned and illegal construction, lack of connection to public utilities, a disregard for traditional architectural styles, construction of such units on agricultural land, their impact on the socio-cultural relations between the locals and second-home owners, etc.), have been deliberately dealt with only superficially, as their in-depth discussion is well beyond the scope of this article. We could add, in a critical sense, that a more detailed breakdown of this multi-faceted and complex issue would require a broader empirical study examining the aforementioned topics and further evaluating the data recorded in the censuses and the SMA Real Estate Register, as well as the data obtained from the records on the payers of the flat-rate tourist tax.

It can be concluded that the further development of holiday houses and apartments in the municipality of Piran requires a systematic and long-term approach in accordance with the principles of sustainable development. Unsupervised construction of new units or renovation and expansion of existing constructions for holiday use, which is in practice often associated with the profitable interests of investors and other capital owners, can cause permanent and irreparable damage to the ecological, physiognomic, cultural and social environment of this picturesque coastal region of Slovenia.

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# Entrepreneurial Characteristics and Aspirations Influencing Career Choice in Tourism Family Businesses

**Tina Kociper**

*University of Primorska, Faculty of Tourism studies, Slovenia  
tina.kociper@fts.upr.si*

**Predrag Ljubotina**

*GEA College, Faculty of Entrepreneurship, Slovenia  
predrag.ljubotina@gea-college.si*

**Jaka Vadnjal**

*GEA College, Faculty of Entrepreneurship, Slovenia  
jaka.vadnjal@gea-college.si*

Family background often influences a person's career choice. The purpose of this study is to examine whether students originating from family businesses in the tourism sector have different entrepreneurial characteristics and aspirations than students coming from family businesses in other sectors.

The underlying assumption was that tourism students who come from tourism family businesses may, due to the specific nature of their business, be influenced in a different way regarding Bandura's four behavior factors: locus of control<sup>1</sup>, self-efficacy, independence and innovation. A balanced sample of 221 respondents surveyed was analyzed utilizing multi-nominal multivariate regression in order to distinguish three possible career path options: family business succession, founding one's own business, or becoming a hired employee.

The main finding is that there is a difference between the two groups in the internal locus of control perception. Tourism students express lower levels of start-up intent generated by the internal locus of control. They may find it difficult to believe that an internal locus of control is possible in the tourism business. Through this parameter, tourism students express a lack of self-confidence. Students raised in a family business environment are affected by the parent's absence due to business matters. It can be argued that an offspring from families in the tourism business may be more exposed to this effect during their adolescence, which could explain the differences.

The main implication is that there is a broader impact of family business background on individuals' entrepreneurial character, including the specifics coming from the nature of the tourism business; therefore more attention should be paid to this issue in the further research in entrepreneurship in tourism.

**Keywords:** Entrepreneurial characteristics, entrepreneurial aspirations, family business, tourism, start-up, succession

## Introduction

Growing up in a family business, people can acquire certain business ideas and skills to start their own or continue their families' businesses. The tourism industry is dominated by family businesses (Getz & Carlsen, 2005, Gurel, Altinay, & Daniele, 2009). Parents are a potential influential factor on their children's intention to continue with an existing business or start a new business (Altinay & Altinay, 2006). Growing up in a family in which parents are the managers and owners of a family business is a specific context in which an individual's personality and career intentions are both formed. (Vadnjali & Gantar, 2012).

Entrepreneurship research literature has intensively investigated career choice intentions and options together with different motives to start a business (Krueger et al., 2000; Simon et al., 2000, Carter et al., 2003). However, not much has been researched and stated with regard to the career options of those young people who were born to family business parents and predestinated to continue their careers in family businesses; most of the literature compares the following two options establishing own business or searching for employment. No instruments have been developed to investigate the issue of people continuing their careers in their families' businesses (Birley, 2001). One recent contribution did investigate the connection of the possible family backgrounds and entrepreneurial intentions of university students in several countries (Zellweger et al., 2011).

The primary objective of the present study is to investigate the possible different attitudes of possible successors in tourism and hospitality family businesses, comparing with possible successors coming from other sectors. There are some gaps in the research that should be filled. Firstly, findings about determinants of career choice intentions of students with family business background. The ambition is to prove that students coming from family businesses have different attitudes than those coming from other sectors. That is because primary objective of businesses in tourism is often fulfilling personal or family needs and preferences ahead of growth and profit maximization (Getz & Carlsen, 2005).

The primary motivation for writing this paper was to investigate whether study findings can at least partly confirm that a tourism family business background may have different impacts on the possible future entrepreneurial path of successors. It is necessary to take into account the country specifics where entrepreneurship has not yet been widely recognized as a legitimate career option for young people and, also, where the entrepreneurial success of an individual is often publicly associated with political participation (Chen & Touve, 2009). Consequently, the aim of the described motivation was to legitimize the relevance of the possible further research in tourism entrepreneurship with significant dedication to family business entrepreneurship.

The structure of the paper is as follows: after the introduction and setting the theoretical background, the methodology is explained in the third chapter where propositions are also given. Methods of data collection (surveying students) and data analysis (multinomial bivariate regression) are presented in the next section. Findings and results with discussion and implications are closing this paper together with some suggestions for possible further research avenues.

## Literature Review

As a theoretical framework, the theory of planned behaviour is applied in its entrepreneurial context (Ajzen, 2002; Kolvereid, 1996). How perceived behavioral control (defined by general locus of control and entrepreneurial self-efficacy) and attitudes (influenced by the independence and innovation motives) impact the likelihood of three career choice intentions (i.e. starting own firm, taking over a family business from parents, or becoming an employee in another organization outside the family firm) is examined.

In some recent research, it has been revealed that perceived behavioural control has a significant impact on the career intent of next generation in family businesses (Krueger et al. 2000). Behavioural control itself originates from (1) the locus of control, which deals with external factors that may have an impact on behaviour, and (2) self-efficacy that deals with internal factors. To obtain credible and reliable results, both factors need to be measured (Ajzen, 2002). An individual can possess a strong internal locus of con-

1 The extent to which individuals believe they can control events affecting them (Rotter, 1966).

trol, but simultaneously believe that he/she is not truly capable of performing a particular task (Bandura, 1977). Self-efficacy is affected by performance and locus of control by life experiences (Dyal, 1984). In the context of this paper, self-efficacy is the conviction that an individual can execute a particular behavior (Bandura, 1994).

Previous research suggests that individuals' traits (high propensity for risk taking, tolerance for ambiguity and internal locus of control) positively influence their intentions to start new business (Robinson, Stimpson, Huefner, & Hunt, 1991; Koh, 1996; Mueller & Thomas, 2001). However, these studies do not consider sociocultural elements, specifically education, entrepreneurial family background and national culture. Education is studied in the research of Hayton, Zahra, and Zahra, (2002) and Morrison (2000) who determined that it influences individuals' level of entrepreneurship.

Gurel, Altinay, and Daniele (2009) investigated tourism students' entrepreneurial intentions and determined that there is a statistically significant relationship between innovation, a propensity to take risks, entrepreneurial family background and entrepreneurial intention. However, they say that education does not play an important role in fostering the entrepreneurial traits and intentions of university students.

### **Hypotheses, Methodology and Sampling**

#### **Hypotheses**

In accordance with these claims and recent research on the career choice intentions of students with family business backgrounds (Zellweger, Sieger, & Halter, 2011), it can be expected that students with higher levels of the internal locus of control will more likely start a new business than become successor in family business. Students of tourism with family business backgrounds mostly originate from tourism-related businesses where they have obtained experience in dealing with people under different, frequently stressful conditions. In this study, we rely on the assumption that tourism students represent a group of possible family business successors in tourism firms. Higher levels of self-efficacy reflect a higher motivation for achieving goals, even under stressful conditions (Bandura, 1997). Based on this theoretical background, it is expected that they would be more

self-confident, which should result in higher levels of both the internal locus of control and self-efficacy in comparison to students from other educational programs. As a result, students of tourism will prefer to found new businesses. Succession careers are expected to predominate at moderate levels of internal locus of control and self-efficacy.

Personal motives are necessary for career choice decisions; therefore, we have measured two additional parameters. The theory of planned behavior assumes that if the outcome of a behavior is expected to satisfy an individual motive, the probability of performing that behavior will be higher. Independence and innovation are described as two highly significant factors (Carter et al., 2003).

Based on the fact that tourism business requires a high level of creativity to obtain competitive advantage and to maintain it under demanding market conditions, we assume that independence and innovation motives are noticeably stronger with students with family business background in tourism. Consequently, we expect that students of tourism will score higher in measuring these two motives in comparison to other students surveyed. In the case of this particular study, they are regarded as a control group of students.

*Hypothesis 1:* Higher levels of the internal locus of control results in preferring the intention to found a business to succession in a family business, and succession to external employment. Students of tourism and hospitality demonstrate higher levels of founding intentions and succession intentions in comparison to other students.

*Hypothesis 2:* Higher levels of self-efficacy results in preferring the intention to found a business to succession in a family business, and succession to external employment. Students of tourism will achieve higher levels of probability in comparison to other students.

*Hypothesis 3:* Higher level of independence motive results in preferring the intention to found a business to succession in a family business, and succession to external employment. Students of tourism will achieve higher levels of probability in comparison to other students.

*Hypothesis 4:* Higher level of innovation motive results in preferring the intention to found a business to succession in a family business, and succession to external employment. Students of tourism will achieve higher levels of probability in comparison to other students.

#### Methods and Sampling

The methodology is based on Zellweger, Sieger, and Halter's research of career choice intentions of students with family business backgrounds (2011). A similar methodology is being utilized to track the possibility of comparing the results. Multinomial logistic regression was used as a method for data analysis. The method is selected because our dependent variable is categorical, with three possible values. The central category in all hypotheses is succession intention; therefore, it is also used as a reference category for multinomial logistic regression (Gregory et al., 2005). Students were asked to declare their career intention within five years' of their completion of studies. The three choice options were: (1) an employee, (2) a successor, or a (3) founder. There are four independent values: (1) locus of control, (2) self-efficacy, (3) independence motive and (4) innovation motive. To measure each independent value, a six-point Likert scale was used ranging from '1-very unimportant' to '6-very important'. The six-point scale was used to avoid neutral decisions.

The research and analysis is based on the dataset collected on four faculties (higher education institutions) in Slovenia, three public and one private. The research was conducted in 2012, and 576 students participated by filling in the questionnaire; researchers used an opportunistic approach of data collection and visited students in the classroom where they immediately had chance to complete the survey without any delay or drop-out of not sending back the questionnaires to the research team. It turned out that 221 participants had a family business background. For the purpose of comparing results, students of tourism were separated and two groups were created: 'Tourism' with 86 students and 'Others' with 135 students with family business background. The demographics of the entire sample are presented in Table 1.

Table 1 Demographic Data

	Demographic	Students	% of total
Year	1 <sup>st</sup> year	85	38.5%
	2 <sup>nd</sup> year	52	23.5%
	3rd year	84	38.0%
Gender	Female	130	58.8%
	Male	92	41.2%
Family business ownership	Father	110	49.7%
	Mother	24	10.9%
	Both parents	87	39.3%

#### Results and Analysis

The dependent variable is categorical with three possible dimensions, which suggested the multinomial logistic regression model as the most suitable one (Gregory et al., 2005). Table 2 reports the results of multinomial regression analysis for both groups of students.

We are using linear regression model specified as:

$$Y = A_0 + B_1 * X_1 + B_2 * X_2 + B_3 * X_3 + B_4 * X_4 + \varepsilon$$

Where Y is observed categorical value of dependent variable,  $A_0$  is the population intercept,  $B_i$  is the partial regression slope parameter and  $\varepsilon$  is the error associated with prediction for Y. In our case, we have four predictors ( $X_i$ ) and four regression weights ( $B_i$ ).

It is assumed that no pairs of predictors are correlated to such an extent as to either cause the singularity of the correlation matrix, or to destabilize the estimation of model parameters (population intercept, partial regression slopes).

Pearson correlations are provided in Table 3. Since all correlations are well below the 0.60 cut-off, there is no indication of multi-collinearity. To support this claim, a variation inflation factor (VIF) was calculated for both groups of students. All VIF factors are below 1.3m which is far below the suggested maximal cut-off of 10.0 (Hair et al. 2006) or 5.0 suggested with a more conservative approach (Daniel 2011). With all our VIF factors between 1.0 and 1.3m we are close to ideal value of 1.0.

Table 2 Multinomial regression analysis

The reference category is: Successor Tourism		Co-efficient B		Std. Error		Significance		Exp(B)	
		Others	Tourism	Others	Tourism	Others	Tourism	Others	
Employment	Intercept	3.036	1.739	3.431	2.627	0.376	0.508		
	Locus of control	0.398	0.002	0.611	0.453	0.514	0.996	1.489	1.002
	Self-efficacy	-0.616	-0.350	0.367	0.305	0.094	0.252	0.540	0.705
	Independance	-0.177	-0.276	0.597	0.445	0.767	0.536	0.838	0.759
	Innovation	-0.061	0.384	0.444	0.339	0.891	0.257	0.941	1.468
Founder	Intercept	-2.996	-7.579	4.634	3.180	0.518	0.017		
	Locus of control	-0.121	0.529	0.757	0.530	0.873	0.318	0.886	1.697
	Self-efficacy	0.080	0.098	0.480	0.357	0.868	0.783	1.083	1.103
	Independance	-0.228	0.239	0.765	0.512	0.765	0.641	0.796	1.270
	Innovation	0.898	0.759	0.569	0.394	0.115	0.054	2.454	2.137

Table 3 Pearson Correlations

Pearson correlations Others		Locus		Self-efficiency		Independance		Innovation		Y	
		Tourism	Others	Tourism	Others	Tourism	Others	Tourism	Others	Touri- sm	
Locus of control	Pearson Correlation	1	1	0.351**	0.186	0.269**	0.361**	0.220*	0.232*	0.064	-0.051
	Sig. (2-tailed)			0	0.087	0.002	0.001	0.010	0.032	0.458	0.644
	N	135	86	135	86	135	86	135	86	135	86
Self-efficiency	Pearson Correlation	0.351**	0.186	1	1	0.175*	0.218*	0.270**	0.235*	0.121	0.183
	Sig. (2-tailed)	0	0.087			0.042	0.044	0.002	0.029	0.162	0.092
	N	135	86	135	86	135	86	135	86	135	86
Independance	Pearson Correlation	0.269**	0.361**	0.175*	0.218*	1	1	0.431**	0.282**	0.065	0.078
	Sig. (2-tailed)	0.002	0.001	0.042	0.044			0	0.009	0.457	0.473
	N	135	86	135	86	135	86	135	86	135	86
Innovation	Pearson Correlation	0.220*	0.232*	0.270**	0.235*	0.431**	0.282**	1	1	-0.017	0.182
	Sig. (2-tailed)	0.010	0.032	0.002	0.029	0	0.009			0.841	0.094
	N	135	86	135	86	135	86	135	86	135	86



Pearson correlations Others		Locus		Self-efficiency		Independance		Innovation		Y	
		Tourism	Others	Tourism	Others	Tourism	Others	Tourism	Others	Touri- sm	Y
Y	Pearson Cor- relation	0.064	-0.051	0.121	0.183	0.065	0.078	-0.017	0.182	1	1
	Sig. (2-tailed)	0.458	0.644	0.162	0.092	0.457	0.473	0.841	0.094		
	N	135	86	135	86	135	86	135	86	135	86

\*\*. Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

### Locus of Control

The results show that students of tourism with higher level of internal locus of control will more likely select employment than succession. In contrast, the same students will more likely decide for succession than for founding a business. In the second group, we see that locus of control has no influence on selection between employment and succession, but it does influence the second part of our hypothesis. Students with higher levels of internal locus of control will more likely decide to found a new business than to work in the family business.

Based on our findings, the first hypothesis can be completely rejected in the case of tourism students and partly confirm it in the case of other student. Consequently, the idea that tourism students will achieve higher level of founding intentions and succession intentions can be rejected.

### Self-efficacy

In the case of self-efficacy, the second hypothesis can be completely confirmed for both groups. It can be observed that both groups will more likely choose to work in the family business than external employment and would choose a starting a new business than a career in the family business. There is no noticeable difference between the two groups with re-

gards to the succession intention and starting of a new business, but the result confirms that tourism students with high levels of self-efficacy are much more likely to select succession before employment in comparison to the reference group ( $\exp B=0.54$ ).

### Independence Motive

In the case of tourism students the third hypothesis is partly confirmed. The claim that tourism students with higher independence motive will more likely start a new business than be a successor in a family business is rejected. For our reference group, the third hypothesis can be completely confirmed. In this case, the reference group will outperform tourism students, so the expectation that tourism students will do better is rejected.

### Innovation Motive

Among the tourism students group, the fourth hypothesis can be entirely confirmed while for the reference group the claim that students with higher innovation motive will choose succession rather than employment had to be rejected. It can be also partly confirmed that tourism students with higher innovation motive will more likely choose the succession path than employment in comparison to reference group ( $\exp B=2.454$ ). In other words, innovation

Hypothesis	Tourism students	Others	Tourism students do better than others
1	-/-	o/+	(-/-) No, worse
2	+/+	+/+	(+/-) Yes for succession before employment relation
3	+/-	+/+	(-/-) No, worse
4	+/+	-/+	(+/-) Yes for succession before employment relation

is a stronger motive among tourism students in comparison with the reference group with regards to career decisions between employment and succession of family business.

### **Discussion and Implications**

The influence of family business background on the entrepreneurial intentions of potential successors was investigated. By comparing two groups of students with different family business backgrounds, the study contributes several important observations to the general understanding of this field. Aim of study was also to reveal particularities of career intentions in family businesses in tourism sector. The findings reveal that there is a certain significant difference between the two groups in internal locus of control perception. Tourism students express significantly lower levels of intention for self-employment generated and triggered by the internal locus of control. This can be interpreted as meaning that tourism students find it difficult to believe that the internal locus of control is possible in the tourism business. The reasoning for this may be in the fact that tourism is an industry with direct dependence on consumers' behaviour, preferences and attitudes, thus perhaps making the locus of control more difficult than in other fields. Through this parameter, tourism students express a lack of self-confidence in comparison with other students. Presumably, offspring from families in tourism business may be more exposed to this effect during adolescence, which could explain the difference that result from our data.

Consequently, the first postulated hypothesis can be completely rejected for tourism students and partly confirmed for other students in the sample. Despite this, it can be argued that segments of different attitudes toward the locus of control issue can be observed among two groups, thus confirming that family businesses in tourism deserve more research.

Tourism students express more self-confidence than other students when speaking about self-efficacy and innovation motives. Comparing the results on these two parameters, it can be observed that tourism students will more likely choose careers in their existing family business than employment elsewhere. Such results may imply that working in the tourism business gives more self-confidence to individuals of the younger generation. Self-efficacy pa-

rameter which is expressed by tourism students suggests that within their studies students get a quite clear idea about what are the main challenges of a tourism business. In other words, a positive experience in tourism-based family businesses may lead business students to self-efficacy supported decision on their career future, which is significantly inclined to continue in the family business. Thus, that second hypothesis can be entirely confirmed for both sample groups.

For tourism students it can be confirmed that innovativeness would influence them to choose the family business succession option. Or, to put it differently, tourism students express higher expectations that they would be offered both, ability and possibility to engage and fulfil their innovativeness and creativity potential in the existing family businesses. This belief may be explained with the recent decade's dramatic changes in tourism industry which is at present one of the rare growing industries. This is predominantly due to fast changes encompassed by fast developments of information technologies which changed traditional distribution channels. Thus, preferring family business to founding own business among tourism students may be interpreted as their response of future increased demand for innovations in their industry. To summarize, the fourth hypothesis can be entirely confirmed for tourism students and partly rejected for non-tourism students.

Studying independence motive and its influence on both groups of students, the third hypothesis can be entirely confirmed for non-tourism students. On the other hand, it can be confirmed that tourism students will prefer family business compared to employment or new start-up. This finding may lead to a conclusion that tourism students already feel the adequate level of independence. They don't feel they need their own business. Continuing family traditions gives them enough room for independence and creativity. Finally, it can be stated that that third hypothesis can be partly confirmed for tourism students and entirely confirmed for the other students.

Comparing the two groups, it can be said that tourism students are closer to their family businesses. Consequently, they feel more responsibility and are more motivated to continue the family tradition. Again, this can be probably explained with the nature of the tourism business which is based on a per-

sonal interaction. Small family businesses are the most common type of small businesses in tourism sector.

Our study is limited by relatively small sample that resulted with several non-significant parameter values which cannot be entirely trusted to draw any conclusions. A larger sample may lead to different results so this may be a challenge for some future research in the field of entrepreneurship in tourism with emphasis on family business. Thus, one of the missions of this research is accomplished: family businesses in tourism deserve more intensive research focus with the objective to increase the understanding of them. There is a threat for a certain bias level coming from the possibility that students (1) might not correctly understand the difference between given options in the questionnaire and (2) might have swapped the realistic present situation of their family business with their wish and preference in the future. In order to eliminate this doubt, some future research should be implemented on the sample of proved family businesses instead of the sample of students coming from family businesses. Furthermore, the number of siblings and their birth order was not considered, but may also have a significant impact on individual career decisions. Apparently, one of the threats for the future of family businesses is the frequent case that there may be more than one sibling, meaning more candidates for succession.

There can be several implications derived from this research. Findings on possible career intentions may be dependent on the sector in which possible successors have experience. Moreover, there may be other factors not included in the analysis. As suggested in earlier research, professional work with enterprises may be aware of the danger of overgeneralizing advice without involving sector-specific attributes. Finally, it is predicted that findings may be of high value to educators. Courses in entrepreneurship should be included in the tourism studies curricula and also family business management and succession should be topics as well.

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### **Pregled raziskovalnega področja vesoljskega turizma**

Iztok Bončina

Po letu 2001, ko je na Mednarodno vesoljsko postajo poletel prvi turist in za njim še šest ostalih, že lahko govorimo o vesoljskem turizmu kot o dejstvu. Tudi rezultati nekaterih raziskav v zadnjih dvajsetih letih kažejo, da si ljudje želijo komercialnih potovanj v vesolje. Čeprav je vesoljski turizem še v nastajanju, je med znanstveniki že od začetka 90-ih let prejšnjega stoletja privlačna tema proučevanja. Ker je to relativno nova turistična industrija, odpira tudi nove vidike raziskovanja na področju tehnologije, ekonomije, sociologije, varnosti, medicine, prava, zavarovalništva in nekaterih ostalih. Namen pričujočega članka je celovit pregled raziskovalnih področij vesoljskega turizma, ki jih znanstveniki proučujejo. Pregledali smo dostopne znanstvene knjige, članke, prispevke z znanstvenih konferenc, simpozijev in delavnic na temo vesoljskega turizma. Po tehtni analizi smo evidentirali najpomembnejše raziskovalne smeri vesoljskega turizma ter identificirali znanstvenike, ki so prispevali največje število objav. Ugotavljali smo tudi, katera področja so slabše zastopana in bi bila primerna za nadaljnje študije.

Članek je nastal v okviru doktorskega študija, ki ga je delno sofinancirala Evropska unija, in sicer iz Evropskega socialnega sklada. Sofinanciranje se izvaja v okviru Operativnega programa razvoja človeških virov za obdobje 2007–2013, 1. razvojne prioritete Spodbujanje podjetništva in prilagodljivosti; prednostne usmeritve 1.3: Štipendijske sheme.

*Ključne besede:* vesolje; turizem; poleti; orbita; literatura

*Academica Turistica* 7(2), 5–14

### **Podjetniške lastnosti in usmerjenost h kupcu kot napovedniki inovativnosti v turističnih podjetjih**

Doris Gomezelj Omerzel

Podjetniška naravnost in usmerjenost k uporabniku sta na eni strani dva ločena koncepta, a po drugi strani tudi komplementarna v vseh strateških usmeritvah, ki vplivajo na inovacijske aktivnosti v podjetjih. Dosedanje empirične študije so ločeno analizirale dimenzije podjetniške naravnosti in usmerjenosti k uporabniku v zvezi z inovacijskimi dejavnostmi na ravni podjetij. Raziskovalci so se pretežno osredotočili na odnos med usmerjenostjo k potrošniku, podjetniško naravnostjo in inovativnostjo v različnih panogah, obstaja pa le nekaj takih študij na področju turizma. Namen tega prispevka je predstaviti rezultate preliminarne študije, ki je le del obsežnejše raziskave na področju inovacij v turizmu. V članku so med teoretičnimi izhodišči predstavljene posamezne dimenzije podjetniške naravnosti, usmerjenost k potrošniku in inovativnosti, v nadaljevanju so prikazani rezultati in ugotovitve iz raziskave, izvedene s pomočjo vprašalnika, članek pa se zaključuje z nekaterimi pogledi na inovacije v turizmu.

*Ključne besede:* turizem; inovativnost; podjetniška usmerjenost

*Academica Turistica* 7(2), 15–27



**Dejavniki oblikovanja cene turističnih paketov**

Gorazd Sedmak in Tina Kociper

Namen raziskave je ugotoviti, kateri dejavniki vplivajo na oblikovanje cene turističnih paketov, ki jih ponujajo slovenski organizatorji potovanj, in moč vpliva teh dejavnikov. Implicitne cene različnih sestavin turističnih paketov so bile ocenjene s pomočjo hedonične regresije in razvit je bil model oblikovanja cen. Do sedaj so bile tovrstne raziskave opravljene le za ožja geografska področja in z uporabo podatkov pridobljenih iz katalogov organizatorjev potovanj. Pri pričujoči raziskavi smo podatke pridobili iz spletnih strani turističnih ponudnikov, in sicer za destinacije po vsem svetu. Najpomembnejša dejavnika oblikovanja cene sta tip destinacije in njene značilnosti. Rezultati kažejo tudi, da višje cene paketov na trgu dosega tisti paketi, ki vključujejo kulturne dogodke.

*Ključne besede:* hedonična teorija cen; spletna ponudba potovanj; regresijska analiza; Slovenija

*Academica Turistica* 7(2), 29–40

**Trendi in nedavni razvoj turizma v Istri**

Anton Gosar

Severni Jadran je že pred padcem železne zavese pogosto polnil naslovnice evropske geopolitike in gospodarstva. Po koncu druge svetovne vojne je na tem območju, takrat razdeljenem med Jugoslavijo in Italijo, prihajalo do inovativnega sodelovanja med socialistično in demokratično-tržno naravnanimi državami Zahodne Evrope. Severni Jadran je preko pristanišč (Trst, Koper, Reka) postal točka ekonomskega sodelovanja med Vzhodno in Zahodno Evropo, hkrati pa tudi ena glavnih turistično zanimivih destinacij v Sredozemlju. V drugi polovici 20. stoletja je rast turističnega prometa postavila nove razvojne cilje za obravnavano regijo. Namesto konkurence in tekmovalnosti so v ospredje vedno bolj prihajala načela ohranjanja naravne in kulturne dediščine na regionalni in državni ravni. V članku so predstavljeni struktura in izzivi razvoja turizma v izbranih območjih severnega Jadrana, s posebnim poudarkom na istrskem polotoku. Istra ima kot destinacija za preživljanje prostega časa dolgo zgodovino. V 19. in v začetku 20. stoletja so območje pričeli obiskovati plemstvo in intelektualci, ki so se seznanili z geografijo polotoka, avstrijsko in beneško dediščino ter večnacionalnimi vplivi tega romanskega, slovanskega in germanskega okolja. Na začetku 21. stoletja lahko razvoj turizma v Istri po številu turističnih prihodov ter njihovem vplivu na družbo in kulturno krajino primerjamo s tistim v Costa Bravi in drugimi turističnimi območji v Sredozemlju.

*Ključne besede:* Istra; Jadransko morje; Slovenija; Hrvaška; Italija; zgodovina turizma; turistični razvoj; turistične strategije

*Academica Turistica* 7(2), 41–52

**Odnos lokalnega prebivalstva MO Koper ob merjenju družbeno-kulturnih vplivov do velike športne prireditve EuroBasket 2013**

Miha Lesjak, Eva Podovšovnik Axelsson in Maja Uran

Velike športne prireditve prinašajo številne družbeno-kulturne posledice (pozitivne in negativne), ki presegajo področje prireditev in posledično posegajo na različna področja odnosov lokalnega prebivalstva (Cornelissen & Swart, 2006). Študija analizira odnos lokalnega prebivalstva Mestne občine Koper ob merjenju družbeno-kulturnih vplivov, ki jih je povzročila organizacija največje evropske športne prireditve EuroBasket v letu 2013. Rezultati so pokazali, da so prebivalci Mestne občine Koper visoko ocenili koristi pozitivnih kulturnih vplivov, kot na primer izmenjave med turisti in lokalnimi prebivalci, priložnosti učenja drugih kultur in boljše razumevanje različnih narodnosti. Negativnih družbenih vplivov v obliki vandalizma, povečanega kriminala in prostitucije, ki nastanejo ob organizaciji velikih športnih prireditev, lokalni prebivalci niso zaznali. Nasprotno so problemi s parkiranjem in prometni zastoji v času izvedbe EuroBasketa 2013 za lokalno prebivalstvo pomenili negativne družbene vplive. Študija dodatno obravnava nekatere demografske značilnosti (doba bivanja v mestu, bivanje v bližini izvedbe prireditve, športna aktivnost, spol, ekonomski status, izobrazba in starost) lokalnega prebivalstva mestne občine Koper, ki vplivajo na njegov odnos ob organizaciji velike športne prireditve. Na podlagi pridobljenih rezultatov avtorji članka predlagajo dodatne raziskave športno aktivnih lokalnih prebivalcev kot potencialnih obiskovalcev športne prireditve in uporabnikov športne infrastrukture. Študija obravnava slabo raziskano področje družbeno-kulturnih vplivov ob organizaciji velikih športnih prireditev v Sloveniji. Vzorec raziskave predstavlja 746 prebivalcev Mestne občine Koper.

*Ključne besede:* družbeno-kulturni vplivi; velike športne prireditve; EuroBasket 2013; lokalno prebivalstvo

*Academica Turistica* 7(2), 53–68

**Neologizmi v jeziku turizma kot pokazatelji inovativnosti v turizmu**

Tina Orel Frank

Namen pričujočega članka je osvetliti, pogostokrat zanemarjeno, povezavo med jezikom in turizmom. Jeziki so ogledalo dogajanja in jih moramo obravnavati kot pomembne pokazatelje razvoja človeštva in s tem tudi razvoja turizma. V reviji, ki se ukvarja z inovacijami v turizmu, želimo predstaviti nekaj leksikalnih in terminoloških neologizmov (grobo definiranih kot novi izrazi) s področja turizma. Te jezikovne strukture najočitneje prikazujejo poti razvoja turizma. Drugi cilj objave pa je opozoriti akterje v turizmu na občutljivo področje izrazja. Ob tem nam časi močne globalizacije narekujejo raziskovanje angleškega jezika. Teoretični del članka ponudi definicijo neologizma in predstavi metode njihovega luščenja iz besedil, dotakne pa se tudi specifik jezika turizma. Praktični del pa ponuja izbor neologizmov, ki prikazujejo trenutne poti razvoja turizma. Uporabili smo »polavtomatsko« metodo luščenja neologizmov iz različnih virov, izbranih glede na ponujeno definicijo neologizma in značilnosti jezika turizma. Članek odkriva tudi najpogostejše obravnavane poddiscipline turizma. V ta namen smo raziskali povzetke

dveh znanstvenih revij – *Annals of Tourism Research* in *Academica Turistica*, *Tourism Innovation Journal*.

*Ključne besede:* jezik turizma; inovacije v turizmu; neologizmi

*Academica Turistica* 7(2), 69–76

### **Sinergija kulture in turizma: Kulturne prireditve kot del kulturnega turizma v deprivilegiranih ruralnih področjih. Študija primera: Vojvodina (Srbija)**

Tatjana Pivac, Ivana Blešić, Igor Stamenković, Snežana Basermeniji, Jasmina Đorđević in Miha Lesjak

Organizacija različnih festivalov pomembno prispeva h kulturnemu in gospodarskemu razvoju regije. Pokrajina Vojvodina je multietnično območje s tradicionalno folkloro, različno hrano in tradicijo, ki omogoča možnost organizacije številnih vsebinsko raznolikih prireditev. Glavna tema tega prispevka je ocena, kako lahko prireditveni turizem vpliva na razvoj podeželja. Kako kulturne prireditve na podeželju vplivajo na lokalno skupnost in na kakšen način prireditve manjšega obsega, organizirane na podeželju, igrajo pomembno vlogo v družbeno-gospodarskem razvoju regije? Avtorji raziskave izpostavijo deset najpomembnejših kulturnih prireditev pokrajine Vojvodina v Srbiji, s ciljem ugotoviti odnos lokalnega prebivalstva v povezavi z organizacijo, izvedbo in gospodarskim pomenom kulturnih prireditev regije.

*Ključne besede:* sinergija; kulturne prireditve; lokalno prebivalstvo; odnosi; podeželje; pokrajina Vojvodina

*Academica Turistica* 7(2), 77–86

### **Socialni turizem in percepcija študentov turizma o tem pojavu**

Janja Gabruč

Namen prispevka je predstaviti pojav socialnega turizma: predstavljene so definicije in različne interpretacije ter modeli socialnega turizma, uporabniki/upravičenci socialnega turizma in položaj socialnega turizma v različnih družbah kot tudi socio-ekonomski vplivi in koristi, ki jih socialni turizem prinaša za posameznike in družbo kot celoto. Izvedli smo empirično študijo percepcije socialnega turizma s strani študentov turizma, da bi razumeli, ali se njihovo razumevanje in odnos do pojava skozi proces izobraževanja lahko spremeni. Cilj raziskave je bil ugotoviti, ali lahko s kratko izobraževalno intervencijo vplivamo na precepcijo in odnos študentov do pojava socialnega turizma. Eksperiment je pokazal, da kljub temu, da študentje po izvedenem kratkem izobraževalnem procesu bolje razumejo nekomercialni značaj socialnega turizma in njegove socialne cilje ter namene, v odnosu do pojava socialnega turizma ostaja prevladujoča njihova poslovna orientacija. Z vidika študentov je socialni turizem primarno razumljen kot dobra tržna niša in priložnost za prihodnji razvoj turizma.

*Ključne besede:* socialni turizem; izobraževanje v turizmu; sprememba percepcije/odnosa

*Academica Turistica* 7(2), 87–99

**Turizem kot dopolnilna dejavnost na ekoloških kmetijah v primorski regiji**

Simon Kerma, Barbara Lampič in Dane Podmenik

Članek obravnava turizem kot dopolnilno dejavnost na ekoloških kmetijah v primorski regiji. Konec leta 2013 je bilo na Primorskem lociranih 99 ekoloških kmetij z različnimi oblikami dopolnilnih dejavnosti, od katerih je imelo 44 kmetij registrirano vsaj eno s turizmom povezano ponudbo. Analizirali smo 27 ekoloških kmetij, pri čemer smo uporabili kvalitativni pristop (strukturirani intervjuji z lastniki kmetij, analiza vsebine promocijskega gradiva in relevantnih spletnih strani obravnavanih ekoloških kmetij). V raziskavi smo se usmerili pretežno v analizo turistične ponudbe, trženja in promocije ter prihodnjih načrtov turističnih kmetij. Namen raziskave je bil tudi, oceniti prispevek ekoloških turističnih kmetij na Primorskem k trajnostnemu razvoju regije. V raziskavi ugotavljamo, da je turistična ponudba na obravnavanih kmetijah precej raznovrstna in da so lastniki večinoma zadovoljni s turističnim obiskom in rezultati, ki jih dajejo njihove kmetije. Severni (predalpski) del primorske regije je na področju turizma na ekoloških kmetijah v primerjavi z južnim delom, kjer smo evidentirali majhno število ekoloških kmetij s turistično dejavnostjo, dokaj dobro razvit. Ena glavnih ugotovitev je močna povezava in vsebinsko dopolnjevanje turizma na kmetiji z ekološkim kmetovanjem, kar se odraža v pomembnih koristih za obe dejavnosti, kmetijsko in turistično. Posledično lahko sklepamo, da ima turizem na ekoloških kmetijah – kljub nekaterim zaznamim oviram in pomanjkljivostim v obravnavani regiji – velik razvojni potencial.

*Gljučne besede:* turizem na kmetiji; ekološko kmetijstvo; ekoturizem; razvojne možnosti podeželskih območij; primorska regija; Slovenija

*Academica Turistica* 7(2), 101–112

**Turizem kot mednarodna trgovinska kategorija: Izkušnje Evropske unije**

Alexey Kondrashov in Ondřej Šima

Turistično gospodarstvo je v svetovnem merilu v porastu in predstavlja tretji največji gospodarski sektor v EU. Kljub temu pa turizem kot trgovinska kategorija doslej še ni bil celovito raziskan. Pričujoči prispevek zapolnjuje to vrzel in ima naslednje cilje: oceniti prispevek turističnega gospodarstva k BDP v državah članicah EU, oceniti njegov pomen v mednarodni trgovini in preveriti uporabnost teoretičnih konceptov mednarodne trgovine za sektor turizma.

Raziskava je pokazala, da je delež turizma v državnima BDP in izvozu odvisen od primerjalnih prednosti države. S pomočjo ricardijanskega in Hecksher-Ohlinovega modela je bilo prikazano, da so primerjalne prednosti in razpoložljivost relevantnih dejavnikov ključne determinante mednarodne trgovine. Ugotovljeno je bilo tudi, da geografska lega pomembno vpliva na primerjalne prednosti države.

Rezultati omogočajo vpogled v nov vidik turizma, in sicer kot nosilca izvoza. Izvirnost prispevka je v kompleksnem pregledu učinkov mednarodnega turizma na gospodarstvo EU. Poleg tega pa na primeru turističnega sektorja EU prispeva novo potrditev uporabnosti klasičnih ekonomskih teorij mednarodne trgovine.

*Gljučne besede:* turizem; BDP; EU; mednarodna trgovina; BoP; primerjalne prednosti; Balassa-index

*Academica Turistica* 7(2), 113–122

**Vplivi in učinki inoviranja v hotelirstvu**

Nataša Artič

**Namen** – Namen tega prispevka je opredeliti najaktualnejše vire s področja različnih vplivov na inoviranje v hotelirstvu in učinke slednjega v zadnjih petih letih in na osnovi izbranih kriterijev (raziskovalnih vprašanj) analizirati podatke iz že objavljenih virov.

**Metodologija** – V prispevku je aplicirana metoda sistematičnega pregleda literature na področju vplivov in učinkov inoviranja v hotelirstvu za omejeno časovno obdobje zadnjih petih let.

**Rezultati** – Članek ponuja boljše razumevanje vplivov in učinkov inoviranja v hotelirstvu v splošnem pomenu (prikazano v Sliki 1), predstavlja njegove zadnje v literaturi objavljene vidike in učinke (prikazano v Tabeli 1) s posebnim poudarkom na posebnih pristopih (kot je na primer odprto inoviranje) kot prihajajočih trendih v aktivnostih inoviranja v hotelirstvu.

**Ugotovitve** – Ugotovite prispevajo k razumevanju inoviranja v hotelirstvu, kar je podkrepljeno z vplivi in učinki in predstavlja tudi potencial za uspešnost podjetja. Ponuja informacijo hotelirstvu o odprtem inoviranju kot prihodnjem trendu v procesu hotelskega inoviranja. Nadaljnje raziskovanje tega področja je potrebno v povezavi z razvojem odprtega inoviranja v hotelirstvu, kajti stroški v hotelih se povečujejo in nadaljuje se iskanje inovativnih ter trajnostnih vplivov in učinkov inoviranja na uspešnost podjetja.

*Ključne besede:* inoviranje; odprto inoviranje; hotelirstvo; vpliv; učinek

*Academica Turistica* 7(2), 123–139

**Metoda za vrednotenje uvedenih novosti v slovenskem turizmu v letih 2010–2012**

Rebeka Tomšič in Dejan Križaj

Članek obravnava osnovne koncepte inovativnosti, ki so temelj za razumevanje vsebinskih in metodoloških procesov, povezanih z raziskovanjem stopnje inovativnosti v turizmu. Predstavljene so možnosti za analizo in uvajanje novosti v turističnem prostoru z nacionalnega vidika. Članek analizira obstoječe metode raziskovanja inovativnosti in se dotika osnovnega vprašanja, kakšen je najbolj primeren pristop za merjenje stopnje novosti in učinkovitosti uvedenih novosti. Za ta namen je bila na osnovi obstoječega poglobljenega znanstvenega pristopa razvita hitra raziskovalna metoda, katere rezultati skozi analizo inovacij v obdobju 2010–2012 na nacionalnem nivoju prikazujejo njeno uporabnost na področju vrednotenja stopnje inovativnosti uvedenih inovacij.

*Ključne besede:* inovativnost; stopnja; meritve; raziskave; metodologija

*Academica Turistica* 7(2), 141–151

**Vpliv turizma na defosterizacijo in biodiverziteto**

Zdravko Šergo, Anita Silvana Ilak Peršurić in Ivan Matošević

Človekove aktivnosti imajo pogosto negativne učinke na biodiverziteto. Njegov vpliv na pokrajino in njene naravne resurse je zelo očiten na primeru gozdov. Ne-

omalthuzianske sile pojasnjujejo razmerja med velikostjo populacije in managementom biodiverzitete. Na gozdove in biodiverzitetu vpliva tudi mednarodni turizem kot komercialna človekova aktivnost. Prispevek obravnava vpliv mednarodnih turističnih tokov na deforestizacijo na globalni ravni. Za oceno stopnje deforestizacije je bil uporabljen Mankiw-Romer-Weilov model rasti (1992). Kot spremenljivke so bile vključene: spremembe v številu turističnih prihodov, stopnje ekonomske rasti in stopnje rasti populacije. Razlike med državami so bile pojasnjene s pomočjo deskriptivne in inferencialne analize.

*Ključne besede:* deforestizacija; konvergenca; realni BDP per capita

*Academica Turistica* 7(2), 153–168

### **Komuniciranje študentov z delodajalci: Vidik konkurenčnosti in zaposljivosti**

Marija Rok

Prispevek obravnava tematiko konkurenčnosti študentov turizma na trgu delovne sile. Z nadaljevanjem kriznih razmer v gospodarstvu se turistični sektor sooča s skrb zbujajočim upadanjem prilivov, upada tudi zaposlovanje. Da bi svojim diplomantom izboljšale zaposlitvene možnosti, morajo zato visokošolske organizacije zagotoviti čim bolj relevantna znanja in kompetence ter povečati osveščenost študentov o pomenu vseživljenjskega učenja, tako formalnega, neformalnega kot tudi priložnostnega.

Raziskava se osredotoča na populacijo študentov drugega in tretjega letnika fakultete za turizem. Analiziramo in vrednotimo podatke o obsegu in kakovosti pridobljenih kompetenc študentov in njihovo tržno vrednost, s ciljem oceniti njihovo konkurenčnost na trgu delovne sile. Rezultati razkrivajo, da morajo študenti povečati svoje konkurenčne sposobnosti, širiti in nadgrajevati raznolike kompetence in izostriti tekmovalni duh, da bi izboljšali svoje zaposlitvene potencialne na trgu dela.

Doslej so se raziskave na to temo osredotočale predvsem na diplomante, presenetljivo malo raziskav pa vrednoti dosežke študentov že pred koncem študija. Pričujoča analiza zato visokošolski organizaciji in študentom zagotavlja povratno informacijo o zmožnostih študentov in njihovi osveščenosti o pomenu razvijanja kompetenc in sposobnostih samopredstavitve delodajalcem ter samopromocije v postopkih iskanja zaposlitve ali strokovne prakse.

*Ključne besede:* turistični sektor; visoko šolstvo; zaposljivost; konkurenčnost; kompetenca

*Academica Turistica* 7(2), 169–177

### **Prostorska analiza počitniških bivališč v Občini Piran**

Miha Koderman

Prispevek preučuje pojav počitniških bivališč v Občini Piran in analizira njihovo vlogo in položaj v prostoru. V zadnjih štirih desetletjih je intenzivna gradnja počitniških stanovanjskih enot povzročila spremembo morfologije nekaterih naselij v tej obmorski občini. Osrednja pozornost je v razpravi namenjena prostorski analizi registriranih počitniških bivališč na obravnavanem območju, ki na podrob-



nih kartografskih prikazih zajema tudi izbrane značilnosti tovrstnega stavbnega fonda (lokacija, starost, intenziteta obravnavanega pojava). Analizirani podatki so bili pridobljeni iz statističnih popisov, Registra nepremičnin Geodetske uprave Republike Slovenije in Občine Piran.

*Ključne besede:* Slovenija; počitniška bivališča; občina Piran; prostorska razporeditev; regionalno poreklo lastnikov počitniških bivališč

*Academica Turistica* 7(2), 179–191

### **Podjetniške značilnosti in namere in njihov vpliv na izbor poklicne kariere v družinskih podjetjih v turizmu**

Tina Kociper, Predrag Ljubotina in Jaka Vadnjal

Dejstvo, da oseba prihaja iz družinskega podjetja, pogosto vpliva na izbiro poklicne kariere. Namen pričujoče raziskave je ugotoviti, ali imajo študenti, ki prihajajo iz družinskih podjetij delujočih v turističnem sektorju različne podjetniške značilnosti in ambicije, kot študentje, ki prihajajo iz družinskih podjetij drugih sektorjev.

Predvidevamo, da imajo študenti, ki prihajajo iz družinskih podjetij turističnega sektorja, drugače izražene vedenjske faktorje po Banduri (potreba po nadzoru, samo-účinkovitost, potreba po neodvisnosti in inovativnost), kot študenti, ki prihajajo iz družinskih podjetij drugih sektorjev. Za analizo anketnih vprašalnikov izpolnjenih s strani 222 študentov smo se poslužili multivariatne regresije, z namenom identificirati značilnosti tistih, ki bodo nadaljevali družinsko tradicijo ali odprli svoje podjetje ali se zaposlili drugje.

Glavna ugotovitev raziskave je, da se skupini študentov razlikujeta v potrebi po nadzoru. Študentje turizma izražajo nižjo raven namena ustanoviti lastno podjetje, ki bi izhajala iz potrebe po nadzoru. Odraščanje v družinskem podjetju močno vpliva na podjetniške značilnosti oseb, še posebej izrazito v podjetjih v sektorju turizma.

*Ključne besede:* podjetniške značilnosti, podjetniški nameni, družinsko podjetje, turizem, novoustanovljeno podjetje, nasledstvo

*Academica Turistica* 7(2), 193–201

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*One author.* Tourism innovation specific is mentioned (Brooks, 2010). Thomas (1992) had concluded . . .

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### Examples of Reference List

#### Books

American Psychological Association. (2009). *Publication Manual of the American Psychological Association* (6th ed.). Washington, dc: Author.

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<http://www.dzs.hr/Eng/censuses/Census2001/census.htm>

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