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APPLICATION OF DESTINATION MANAGEMENT AT REGIONAL AND LOCAL LEVEL IN SLOVAKIA AND THE CZECH REPUBLIC

Abstract: *In tourist destinations, the complex tourism products which satisfy visitors are being formed with the participation of the public and private sector. Since this is a complex process, the destination management must be applied. The aim of the paper is to analyse and make a comparative analysis of the application destination management in tourist destination at regional and local level in Slovakia and the Czech Republic. The data that were processed were gained from secondary and primary sources. Primary survey was used the sociological method, using the questionnaire technique in the period between October till December 2015 in destination management organisations in Slovakia and the Czech Republic. To complement the results we conducted controlled interview with representatives of these organisations. For data processing we utilized the statistical program SPSS, spreadsheet Microsoft Office Excel and statistical methods mean values (mean, mode, median), methods measure of variability (variance), Friedman test, McNemar test (significant difference between sequence of the variables) and statistical generalization (extension survey results to the whole). The result of the investigation is the identification destination management organisations in Slovakia and the Czech Republic and comparison the application of destination management in selected organisations.*

Keywords: *Tourist Destination.* *Destination Management. Destination Management Organisation. Tourism Development.*

JEL Classification: *L_{83}, M_{38}.*

Introduction

The tourism stage in the twenty-first century presents profound challenges to all actors involved in the tourism industry. Consumers of tourism are demanding tourist destination with common product and common strategy. The main focus is on the quality of tourism products (Edgell, 2016).
The tourist destination is the elementary unit of investigation and one of the most complex entities in tourism, especially in terms of planning, management and financing. Its complexity derives mainly from the complexity of the relationships between the tourism stakeholders involved in the development of tourism in the destination. Defining the issue of destinations is based on the knowledge of the key authors such as Buhalis (2000), Flagestad (2001), Ritchie and Crouch (2003), Beritelli (2009) and Pechlaner (2010). A destination is a geographically defined area where the

interaction between service providers, visitors and the local population occurs. The geographic approach is not sufficient and therefore it is important to talk about the economics, marketing, social, and political aspects of the destination.

Tourist destinations are areas with unique composition of products and are the subject of visitors´ interest. The product of tourist destination is combination of sources of public and private tourism stakeholders together with preconditions for tourism development. The most important point in tourist destinations is creating collaboration and partnership because of big amount of tourism stakeholders. These stakeholders can be divided into those that are essential for the success of tourist destination and may influence its existence, and those that come in touch with tourism. Their size, economic strength, provided services, legal form and resources differ from each other. Differences between tourism stakeholders are also in participation of the tourism product creation. UNWTO (2010) made a survey to know the most important tourism stakeholders in tourist destinations (Survey on Destination Governance). Destination management organisations from members list of UNWTO received a questionnaire in three languages. 687 those organisations were interviewed around the world and from different levels. Selected organisations identified the most important tourism stakeholders in tourist destination development and they are accommodation facilities, catering facilities, destination management organisations, tour operators and agencies, the attractiveness of tourism and event organizers, national and regional organisations of tourism, local tourism associations, regional development agencies, the congress organizers, operators of sport facilities, transport companies and associations, cultural facilities, educational institutions and national parks.

Due to the many stakeholders involved in tourism development, the cooperation and creation of partnerships is inevitable. The arrangement of a tourist destination is created by the network of local stakeholders in the location, which is supervised by the organisation of management with the regards of the management of individual elements, which encourage the subjects to mutually cooperate (Holešinská, 2013).

Universal method for creating the organisational structure of tourism does not exist. Development of destination management can be enhanced from bottom-up or top-down initiatives. Known is also mixed system of creation system of tourist destination (Palatková, 2011 In Petříčková, 2012) that is a combination of both approaches. Typical feature of organisation in tourist destination is development of organisational structure. The structure fulfils the role of coordinator in tourist resort (local level), in tourist region (regional level) or in state (macro level). It coordinates the interest of tourism stakeholders, creates a common product, common strategy and ensures that the destination acts towards external environment uniformly.

The tool for coordination activities in tourist destination between all tourism stakeholders is creation destination management organisation applying the concept of destination management (Gajdošík, Gajdošíková, Kučerová, 2015).

Destination management is a strategy and way for strong regions that have the courage for concentrations of forces for common development, common organisation and active sales of its key competitive advantages. This strategy creates the places that offer for visitors a perfectly organized services chain, which include the whole process from first information until return home (Bartl, Schmidt, 1998).

Ritchie a Crouch (2003) reported that destination management is key to sustainable development and competitiveness of tourist destination.

Srb (2003) emphasises that destination management can be considered as an institutional tool of regional policy that contributes the efficient development of the region. Destination management is the basis for organisational structure that enables cooperation of tourist stakeholders. It is set of techniques, tools and measures used in destination management organisations in case of planning, organisation, communication, decision-making processes and regulation of tourism in tourist destinations (Kratochvíl, 2007).

Task and responsibilities of destination management is not clearly defined in the domestic and foreign literature. These may be representatives of the public sector, the strongest private stakeholders, organisation unit etc.

Basic principles of destination management are creation of organisation unit with qualified staff (professionals), with common strategy implemented in tourist destination. The financial framework of tourism development must be ensured as well (Gúčik, 2010). Features of destination management by Bieger (1996 In Holešinská, 2012) are dual function of destination management organisation (run their own institutions and operation of destination); poorly measurable objectives; limited opportunities to influence tourism stakeholders; huge influence of interest groups and the need for legitimacy in the social and political environment. Destination management is presented as an intra-organisational phenomena (Mariläinen & Lemmetyinen, 2011 In Holešinská, 2013).

With increasing globalization impact and competition in the international tourism market, the importance of application of destination management in Slovakia and the Czech Republic is growing. Although the history of tourism in these countries is not as long as in European countries with developed tourism (Switzerland, Germany, France etc.), in Slovakia and Czech republic the destination management has been developing with a significant time delay after the most competitive countries on international tourism.

Materials and methods

The aim of the paper is to analyse and make a comparative analysis of the application destination management in tourist destination at regional and local level in Slovakia and the Czech Republic.

The data that were processed, were gained from secondary and primary sources. From secondary sources we use the information provided by the Ministry of Transport, Construction and Regional Development of the Slovak Republic in 2014, from annual reports of selected regional and local destination management organisations in Slovakia and Czech. Primary survey was using the sociological method, using the questionnaire technique in the period between October till December 2015. The first questionnaire was distributed to all local tourist organisations in Slovakia (in

October 2015 there were 32) and the return rate was 53 % (17 completed questionnaires) and to all Czech local destination management organisations (in October 2015 there were 34), the return rate 59 % (20 completed questionnaires). Basic file was created by all local tourist organisations in Slovakia and all local destination management organisations in the Czech Republic. The sample was all organisations which fulfilled the questionnaire.

To complement the results we conducted controlled interview with representatives of these organisations.

The questionnaires we distributed in person or electronically. As an electronic form we used program Google Docs with email marketing toll Mailchimp that we have achieved higher return rate. For data processing we utilized the statistical program SPSS, spreadsheet Microsoft Office Excel and statistical methods mean values (mean, mode, median), methods measure of variability (variance), Friedman test, McNemar test (significant difference between sequence of the variables) and statistical generalization (extension survey results to the whole). The result were processed at a significance level of $\alpha = 0.1$ and with the confidence 90 % results were applied to the research sample.

Results

The destinations which offer for visitors a chain of services to satisfy their needs in global scale have been emerging also in Slovakia and the Czech Republic. Territorial similarity, the existence of common state and a comparable level of development of tourism opens up possibilities for comparative analysis of application of destination management at regional and local level in Slovakia and Czech Republic.

The biggest difference in the application of destination management in Slovakia and Czech Republic is the legislative definition of its subjects.

Destination management in Slovakia. The subjects of destination management are in Slovakia defined by Act no. 91/2010 Coll. for the support of tourism. This law financially motivates subjects to set up regional and local tourist organisations, namely tourist organisations at the regional and local level, which with their activities fulfil the concept of destination management. This system in Slovakia has been stimulated top-down initiative of creation of partnerships of public and private sector in tourism. Regional and local tourist organisations are non-profit organisations whose mission it is to carry out the destination management in Slovakia. Because these are subsidized organisations, they are subsidized from state budge. Utilization of subsidies is regulated by law. These organisations, however, cannot be engaged in profitable activities.

Regional tourist organisations in Slovakia encourage and create conditions for the development of tourism at the regional level and protect and represent the interests of its members. The members of these regional organisations are stimulated by self-government units and among members they need to include at least one local organisation of tourism. The boundary between the competences and activities carried out by the regional and local organisations is thin.

Regional organisation should supervise the region and assist the organisations under their domain, yet this cooperation is weak. A subsidy from the state for regional or local organisations is not legally bind source of financing, but is a key instrument for financing activities, products and marketing of an organisation. The Tourism support act created a framework for development of regional organisations, but at the same time it does not ensure the efficient co-operation of the tourism stakeholders and emphasize on promotion activities of tourist destination. At present there are five regional tourist organisations, it means on the area of three self-government units the regional tourist organisations has not been created yet.

In Slovakia, organisations are financed mainly from membership fees and public funds – government's subsidy which they receive almost every year on the basis of the application and the project. Rate subsidies and the tax charged by accommodation are approximately 1:2 (Table 1).

Table 1: Evolution of tax for accommodation, the amount of state subsidies and number of overnight stays

Year	*Taxes for accommodation*	*Number of overnight stays*	*Subsidies*
2012	8 359 375	10 908 200	3 281 302
2013	9 491 389	11 486 571	3 392 752
2014	9 812 225	10 900 434	3 707 589

Source: Processed by Financial Administration Slovak Republic, 2015.

This increases their dependence on public resources and reduces flexibility in decision-making and activities (public procurement etc.). Regional tourist organisations in Slovakia are financed also by membership fees (local tourist organisations, regional government), in minority from own incomes.

Local tourist organisations originated on the basis of common conditions for tourism development. In few tourist regions created also more local tourist organisation in few tourist regions any or only one. Local tourist organisations do not copy border of tourist regions from Regionalization of tourism in Slovakia (2005).

To promote the tourism development in one area can at least five municipalities with stakeholders from private sector establish local tourist organisation, if accommodation facilities in this area recorded at least 50 000 overnight stays in the previous year. Membership in the organisation is voluntary. If the local organization does not gather at least 5 municipalities in one area, is possible to establish local tourist organisation with fewer municipalities, but the number of overnight stays must be at least 150 000 in the previous year.
Local tourist organisations in Slovakia according to Tourism support act were established in 2012 and many of them were motived by financial incentives. The second most frequent reason was the need of cooperation and promotion of the tourist destination. An important reason was the creation common financial resources, since funding is of the key issues in the destination management organisations.

This biggest part of the membership in local tourist destinations is tourism enterprises (accommodation, food beverage, tour operators and agencies) and local government, town or village. Next are cultural and educational institutions as a cultural centres, exhibition, concert hall, galleries, museum, theatres, cinemas and event organizers (cultural, social, sports, business, exhibition, hunting, gastronomic etc.). Specific members of local tourist organisations in Slovakia are tourism clusters, civil associations etc.

Local tourist organisation are representing the interests of its members in public, processing and implementing destination marketing strategy, processing and submitting applications for subsidies, mainly from state budget.

For searching and motivating potential members organisations are using personal interviews, communication with stakeholders in tourist destinations. But the aim is not to find too much new members, but rather reach less, but quality members, who will have sufficient knowledge or experience to understand the importance of destination management. The important point is personality requirements of representatives of local destination organisations and members.

Membership fee and own income of local destination management organisations should form a major part of funding. The reality in Slovakia is different, since there is a law that allows them to receive financial subsidies from the state budget. They are dependent on subsidies. Local destination organisations should become more independent and state subsidies should be only complementary form of funding. However, there is also limited by the law, which does not allow organisations to conduct own business (Table 2).

Table 2: Financial resources in local tourist organisations in Slovakia

Degree of priority	*Financial resources*	*Lowest share (%)*	*Highest share (%)*	*Average share (%)*
1.	Membership fees	10	50	37,7
2.	State subsidies	10	70	44,7
3.	Voluntary contribution	0	20	7,0
4.	Subsidy/grant from city/town/village	0	20	4,1
5.	Own income	0	20	3,5
6.	Intermediation commission	0	10	1,2
6.	Irretrievable financial contributions	0	10	1,2
7.	Donations, sponsorship	0	10	0,6

Source: Own research, 2015.

For most local tourist organisations in Slovakia membership fees and revenues from its own activities cover operating expenses (which can not be financed from state subsidies) and partly costs of doing business.

The using of financial resources from state subsidies is particular to destination management marketing (creation and management of web page, creation and distribution of information and promotional materials, design and installation of information panels etc.). In addition, local destination organisations build brand of their destination that uniformly covers the destination; make small tourism infrastructure (construction and maintenance of hiking and biking trails etc.);

strategic plan tourism development, implement event management and participate in congresses, fairs and exhibitions in Slovakia and abroad, where they present tourist destination (Table 3).

Table 3: Use of financial resources in local tourist organisations in Slovakia

Degree of priority (Friedman)	*Use of financial resources*	*p-value (Friedman test)*
1.	Marketing management	9,32
1.	Branding of tourist destination	9,32
2.	Building tourism infrastructure	8,56
2.	Strategic planning	8,56
2.	Event management	8,56
2.	Participation in congresses, exhibitions, fairs	8,56
3.	Creation and distribution of destination product	8,18
4.	Visitors services	7,41
5.	Statistics, analysis, research	6,65
7.	Education and transfer of experiences	3,59
7.	Internal marketing	3,59

Source: Own research, 2015.

Local tourist organisations in Slovakia have problem with internal marketing in organisation (transmission information to the members about membership, development etc.) and survey made in tourist destinations (absence of employees in the organisation).

Problems in local destination organisations are connected with funding from private resources, involvement of more potential members from private sector, ignorance and lack of information about the benefits of destination management.

Private sector do not see, in many cases, real benefits of joining the local destination organisation. Problematic part of activities in tourist destinations at local level in Slovakia is realization of profitable activities in local destination organisations. The most problematic area is definitely mentality and individualism of stakeholders in tourist destination, especially, from private sector, administrative barriers and legislative restrictions. On the one hand is problem with tourism stakeholders and with their mentality and on the other hand in Law no. 91/2010 what created conditions for regional and local tourist organisations.

Directors of surveyed organisations agree with the controversy of law in Slovakia. On the one hand, they are happy that the law was created, on the other**,** they see a lot of mistakes. For example, tourist destinations with more developed tourism receive more money from government in compare with regions, or tourist destinations that are less developed.

The problem is in poor management of organisations where success and effective cooperation is not possible. Likewise passivity on the part of members makes problems in tourism development. Also in case of local destination organisation the biggest problem is human factor. The human factor is one that most often fails. The essence of the law is good, but the vision of public subsidies to hold few stakeholders in case of tourism development.

Without existence of Act no. 91/2010 Coll. about the tourism promotion was not given destination management to the required level.

Only time and practice will reveal gaps that have already been identified. The problem was that a year after approval and putting into practice the adjustments took place and it was a very short time for correction. The changes are necessary. Changing that will require income of some stakeholders, mismatch applications and allocation of subsidies, enabling make preventable activities for tourist organisations or even longer present The Association of tourist organisations in Slovakia.

The law only weakly supported creation of tourism product in tourist destinations, or evaluates the quality of tourist destinations.

The law makes no provision for the educational level of the founders and employees in tourist organisations.

Destination management in the Czech Republic. In the Czech Republic this concept is fulfilled by tourist organisations at the regional and local level. Their creation and existence occurs quite spontaneously and the need to create stable conditions for systematic and competitive tourism development in destinations occurs.

Despite these facts we do not observe significant differences in function, sources, and the use of funds in these organisations. Significant differences are mainly due to the legal form of the entities in Slovakia and Czech. Regional and local tourist organisations in Czech have different legal form. Based on Law no. 128/2000 Coll., municipalities can cooperate with other municipalities or other entities or individuals on the basis of voluntary unions, joint stock companies as associations of legal persons or associations of citizens. All legal forms have their advantages and disadvantages.

In Czech there is a number of institutions concerning the development of tourism, but not all meet the concept of destination management. Management and marketing organization of tourism in Czech are only in the early stages of development. The issues of regional development and the management of the target locations started to develop only after 2000. At present, the country is divided into 17 tourism regions (regional level) and 40 at the local level (April 13, 2016). According to a list on the website Czech Tourism there are 34 local tourist organisations in Czech Republic. Unlike Slovakia, every region in the Czech Republic has a regional management organization (17) that has a positive effect on the development of tourism in different regions. In Slovakia the regional tourist organisation have both incomplete representations on the territory of the country (5 organizations, 8 regions) as well as weaker positions compared to organisations in the Czech Republic.

In Czech, tourist organisations do not have the opportunity to be regularly funded from the public sources and so their source of income are mainly membership fees, revenues from its own activities, and support from regional and European funds.

Destination management organisations in Czech began earlier in compare with Slovakia, in 1999. The representation of tourism stakeholders in organisations is very similar to Slovakia. The most represented are tourism enterprises, cultural and educational institutions and municipalities. Second group is created by event organizers, sport and recreational facilities, few manufacturing companies or public body.

Destination management organisations in Czech communicate with tourism stakeholders in tourist destination, create and realize marketing strategies of tourism development in tourist destination, but also tourism strategies. Organisations carry out educational activities for its members; represent their interests towards the public and state authorities, process and submit applications for grant from cities, regions, European Union etc. They are also searching for new members, creating and selling tourism product, providing information for visitors and consultancy for entrepreneurs and for those involved in the tourism development in tourism destination. Less performed activities are quality management and mediate some services.

Organisations cooperate with other tourist organisations in their area by joint activities and by ensure joint activities and projects.

Financial sources in destination management organisations in Czech Republic are gained from membership fees. Organisations are financed also from own income and from voluntary contribution from different subjects.

Very important part of financing in Czech destination management organisations are non-repayable financial resources from domestic and foreign funds, especially from European Union. Subsidies from state budget are zero (Table 4).

Table 4: Financial resources in local destination management organisations in the Czech Republic

Degree of priority	*Financial resources*	*Lowest share (%)*	*Highest share (%)*	*Average share (%)*
1.	Membership fees	20	80	43
2.	Own income	0	40	17
3.	Voluntary contribution	0	40	16
4.	Subsidy/grant from city/town/village	0	30	8
5.	Irretrievable financial contributions	0	20	6
6.	Donations, sponsorship	0	30	6
6.	Intermediation commission	0	20	4
7.	State subsidies	0	0	0

Source: Own research, 2015.

Holešinská (2012) made very similar survey in destination management organisations in Czech Republic. She found that budget of organisations is connected with their territory. The level of funding depends on the activities of organisations, resp. success in obtaining public resources is connected with level of experience in this activities. More than half organisations have their own income from commercial activities, but they are not generated by selling tourism product.

The method which is considered to not to be appropriate is membership fees per capita in case of municipalities. The most common method of determining the membership fee is equal amount for all stakeholders or its differentiation in case of public and private stakeholders. The most common way to deal funding in destination management organisation is, in author´s opinion, focus on commercial activities and regular subsidies from the region (regional municipality) in the Czech republic.

Using of funding in destination management organisation in Czech is very similar with Slovakia. The most common using is for marketing management of tourism destination.

Marketing management is connected with production and distribution of tourism products. An important activity is education and experiences transfer among organisations and tourism stakeholders. Less attention is in case of Czech destination management organisations on creation tourism infrastructure and visitor services (Table 5).

Table 5: Use of financial resources in local destination management organisations in the Czech Republic

Degree of priority (Friedman)	*Use of financial resources*	*p-value (Friedman test)*
1.	Marketing management	9,24
2.	Creation and distribution of destination product	8,61
3.	Education and transfer of experiences	7,97
4.	Participation in congresses, exhibitions, fairs	7,34
4.	Strategic planning	7,34
5.	Branding of tourist destination	6,71
6.	Statistics, analysis, research	6,08
7.	Event management	5,76
7.	Internal marketing	5,76
8.	Building tourism infrastructure	4,82
9.	Visitors services	4,18

Source: Own research, 2015.

An absent precondition organisations consider funding from private resources. They see problem also in involvement of the private sector to organisations and in integrated destination management.

Lack of co-operation, individualism of tourism stakeholders, resources and amount of funding, policy decisions – these are the problem areas not only for Slovak and Czech destination management organisations.

In our survey we conducted also 13 members of few organisations. Asked members expressed satisfaction with membership in the organisations. As the main motive from being in organisation they indicate its efforts to gain new experiences, transfer knowledge and information from experienced tourism organisations and stakeholders, interest in developing tourism in destination, but also personal motives as cost savings, increase the number of visitors and the effort to be part of a larger territory that makes sense to present to the distant source markets. In real, members gain new knowledge, information, and cost savings. In terms of negatives, members reported poor awareness of public about organisations activities and benefits, lack of real output, access to the public authorities and absence of clear rules and legislative definition of the functioning of the organisations, which in turn is related to the absence of tourism law.

In the future, members would welcome greater access to financing in the form or projects, effective common destination marketing and better awareness on the foreign markets, more educational activities for members of the organisation and would appreciate search for inspiration in countries with developed tourism. The number of responses was not enough, so answers are more informative and only complementary form.

Based on previous findings, in the Czech there is now law that would financially support the organisations in tourism. The idea of the law comes from the need to create stable conditions for systematic and competitive tourism development in tourist destinations. Unstable environment makes it difficult for tourism stakeholders and limits the range of synergies. The effort of the bill in the Czech is to embed the organisation and management of tourism as an institutional tool of regional policy and strengthening of tourism policy in Czech.
For lawmakers is determining the definition of regional level of tourism destination. The problem in Czech is that tourism organisations faced with the problem of defining competences.

By not clearly defined the activities for which the organisation is responsible, there is the fact that the political line in the form of regional government retains its power even in such activities that would be carried out by UNWTO. The plaintiffs consider that the tourism organisation should carry out cooperation and coordination activities, design and planning activity, marketing activity, information and research activities, provision of services and other management activities. The aim of the law should also create a funding model that would be composed of several income directly or indirectly generated by activities in the tourism sector. Ongoing synergistic effect when more than one entity if the common interests and join them for this purpose its own means to reach your target much easier (and cost effective) than if the funds are spent alone. The draft law submitted skeleton points that should be addressed by legislation. They mainly concern tourist organisations, competences and funding management organisations. This is particularly the areas which they consider Czech tourist organisation as crucial to their operation, and to contribute to management efficiency destination. The proposal includes the various recommendations. The essence of a law on tourism is through legislation empowering tourist organisations as the institutional instruments of regional tourism policy (Holešinská, 2012).

Comparative analysis of the application management in tourist destinations in Slovakia and the Czech Republic.
The basic function of the organisations in Slovakia and Czech Republic is similar. Destinations in Slovakia and Czech are in the stage of creating tourism products. There is a slow shift from implementing marketing communication and we can also observe the first packages of services for visitors in the more mature tourist destinations. The objectives of destination management in these countries at regional and local level are to create a complex product for the visitors to satisfy their needs, not only in terms of a quantitative, but also qualitative characteristic.
For comparing the application of management in tourist destinations in Slovakia and Czech Republic we made a survey in which we wanted to know:
- territory,
- legal form,
- membership (number and structure),
- financial resources,
- share of financial resources,
- use of financial resources,

- activities,
- level of cooperation,
- problems in organisations.

To investigate the differences between national tourist organisations in Slovakia and tourist organisations in Czech Republic, we have conducted a survey to determine the application of destination management. At the time of the survey there were 32 regional tourism organizations in Slovakia (with a return of 53%) and in the Czech Republic 34 tourist organisations (with a return of 59%). The results are presented in the Table 6.

Table 6: Comparison of management of tourist organisations in Slovakia and Czech Republic

Comparable variables	*Slovak Republic*	*Czech Republic*
Legislative regulation of tourist organisations	Law no. 91/2010 Coll. on the promotion of tourism, as amended	Without legislative amendment
Marketing organisations at the national level	Slovak Agency for Tourism (1995)	Czech Tourism (1993)
Number of tourist organisations at the regional level	5	17
The number of tourist organisations at the local level	32	34
Legal status of regional and local tourist organisations	Subsidized organisations established under the terms of the Act	Publicly benefited corporations, regional associations, limited liability companies, associations, partnership between towns and villages, organizations receiving contributions, territories, regions, and towns.
Regional level		
Starting point	2012	1993
Township level		
Starting point	2011	1991
Motive for establishment	By act of law	The need for cooperation
The average number of members	25	47
The average number of employees	2	4
Activity	Raising funds from the state budget, represent the interests of its members, marketing strategies, applications for grants, recruit new members.	Communication, marketing strategy, strategy of tourism development, educational activities, representation of interests, grant applications, recruitment, tourism products, information and advisory services.
Cooperation with other organizations	Yes	Yes
The most frequent sources of funding	State budget subsidy	Membership fees
Member and own income	Covers part of the operational costs	Does not cover operating costs

Use of funds	Marketing Management, Branding destination	Marketing management, production and distribution of products, training and transfer of experience
Absences of business activities	Funding from private sources	Funding from private sources
Problem areas	The mentality of stakeholders, individualism, administrative burden and legislative restrictions	Cooperation, mentality of stakeholders, individualism, source and amount of funding, political decisions

Source: Own conception, 2016.

There are various organisations concentrated in Slovakia and Czech, mainly based on the potential for tourism development. The legal form of organisations in Slovakia is determined on the basis of existing legislation, unlike Czech Republic, which is based on various legal forms. The starting point of tourist organizations on the regional and local level in Slovakia was with legislation that was first created in 2012. The Czech Republic, however, had established its first local organisation as far back as 1991 and on the regional level in 1993. The number of employees in organisations at the local level, given the range of activities undertaken, is quite low. Volunteers are also working in all organizations that enhances the base staff (in Slovakia, as for now, there has only been attempts). The average number of members in Slovak organisations are lower (25) than in the Czech Republic (47). The most frequently performed activities is to represent the interests of its members, which results from the nature of a membership-based organizations and the creation and implementation of a marketing strategy (The marketing principle of a Tourism Organisation). Linked to this is the use of the funds that organizations spend on marketing management and branding of the destination.

Discussion

The discussion of management of tourist destinations in Slovakia and Czech Republic are in the early stages. The three-stage tourist organisation for most European countries has a vertical arrangement. Before 2011, a horizontal level existed creating collaboration and partnerships within both the private and public sector in its different forms (associations, clusters, etc.). Still, it was not a coordinated and systemic organization connecting funds to the development of tourism at tourist destinations. Act no. 91/2010 Coll. Tourism support act created conditions for the development of tourism organizations at the regional and district level in targeted sites within these areas. Tourism organizations are starting to bear offerings in specific markets connected to the autonomous bodies that are involved in tourism development at the tourist destinations, coordination of interests and speaking with one voice. The public and private sector benefit from the management of the tourism organization because of the effective use of a single decision-making process. A very important law is the financial support for management of tourism organizations in the tourist destinations. Nevertheless, Act. 91/2010 Coll. for the promotion of tourism was beneficial to the formation of the system of management of organisations in Slovakia and was not just an effective way to apply management of destinations. There was an exception to this positive impact in certain problem areas. The law financially supports more destinations that are stronger; more developed and thus intensifies regional disparities in Slovakia. There is a time lag between requests for subsidies from the state and the allocation of subsidies, which impedes its functionality by nearly half a year. The vision of subsidies from the state budget in the form of financial assistance allows for incompetence in establish and manage tourism organizations, as the law does not provide for a minimum requirement of personnel (education, experience) who wish to establish an organization of tourism. Uneven development is also causes by the redistribution of funding for members of areas that have regional organisations rather than to areas were such organizations do not exist. In practices, there is confusion of responsibilities between the powers of the regional and local organizations with certain activities. The law does not clearly specify the differences between the two levels. An amendment to the act came only a year after the law went into practice, which meant that not all the errors of the act have been modified. The biggest problem, however, is an overdependence on government subsidies. Organisations are not obliged to perform activities that would increase their income. Here, another problem occurs since a non-profit organization has an opportunity to be profitable and conduct business. The number of regional organizations in tourism is disproportionate, given the size of Slovakia. As such, the law, at this stage, needs significant changes. Financial support from the state is a positive stimulus in the development of organizations, but the organizations current position is rather harmful. The situation in Czech Republic also requires appropriate legislative changes with the creation of a systematic approach to the development of tourism management organisations and the application of management of destinations.

Conclusion

Experience from abroad shows that the purpose of applied management of destinations is to create a large number of management organisations, although this could result in a weaker competitive position in the larger national and international market. The principle of operation of these organizations would be funding based on the pooling of resources for the private and public sector, where they will participate with all representatives of the public sector and major players in the region, not only tourism, but also those where the development may affect or be affected by it.

It is important that, in Slovakia, there have been changes in the law in order to create more competitive fewer destinations, to be managed by a strong management organization. The organisation's activities are thus shifted from the current marketing communication, towards the creation of tourism in the destination, and then to quality management at the target site, where the visitor gets a comprehensive product in one place at one time with the required quality.

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The DIMENSIONS AND QUALITY FACTORS IN URBAN DESTINATIONS

Abstract: *The objective of the article is to verify what quality factors are important for visitors to urban destinations of tourism. Are these factors generally usable for all types of destinations or is it necessary to use a modified set of quality factors for urban destinations? The data entering the factor analysis were gained by a primary research and were tested statistically. Based on the results it was proved that for evaluating the quality of urban destinations it is suitable to use 6 quality dimensions – services, experiences, attractions, transportation, well-being and image - containing 19 quality factors generally applicable in destinations. Other factors typical for urban tourism are less significant for visitors and they can be used as measurable variables for the given dimensions.*

Key words: *urban tourist destination, dimension of quality, visitor´s perception*

JEL Classification: *L83*

Introduction

Improving quality in urban tourist destinations is an essential requirement in satisfying tourists' needs, in enhancing the competitiveness of the tourism industry, and in ensuring balanced and sustainable tourism development (Lorton Consulting, 2016). As far as a tourist is concerned, the satisfaction derived from staying in a destination depends not only on the experience with specific tourist services but also on more general factors, for example safety and security, hospitality, sanitation and salubriousness, traffic and visitor management (Ashworth, Page, 2011; Yuan, Fu, 2014). A large number of elements have an impact on a tourist's perception of a destination, on the level of his/her satisfaction and, in consequence, on a tourist's willingness to repeat his or her visit and to recommend the destination to other potential visitors (Oppermann, 2000).

Therefore, the success of a destination – as to the tourist´s satisfaction – is a function of several components that are interdependent (e.g. Krešic 2008; Xielong, 2011; Žabkar et al. 2010). This fact emphasizes the necessity of integrated and strategic planning of tourist destinations as well as specific techniques and tools that should be used selectively to address integrated quality management of the destination.

A tourist destination is defined differently according to the way in which authors regard it. As it is a complicated and constantly developing system that is bound to a geographic area, an unambiguous definition of a destination has not been formulated yet. During scientific researches various authors´ definitions are quoted (Medlik, 1969; Leiper, 1995; Davidson & Maitland, 1997; Hall, 2000; Buhalis, 2003). Bieger (2005) states that a destination is a geographic area (resort, place, region, country) that a visitor selects as a target of his or her journey. It disposes of all the facilities that are indispensable for accommodation, boarding, entertainment and other activities. By this it becomes a unit of economic competition and has to be managed strategically. World Tourism Organisation defines a destination equally as a place with attractions and all the facilities and tourism services that are related to them which a person or a group of people choose for their visit and that providers bring to the market (UNWTO).

In spite of the fact that visitors´ motives for visiting a destination are not often clear, various authors make an effort to create a typology of destinations and their distribution. The main reason is especially the effort to achieve marketing management of a destination. According to the motives for a visit and also according to their main attractions Buhalis (2000) divides destinations into urban, seaside, alpine, rural, authentic third world and unique-exotic-exclusive. Usual activities for visitors to rural-type destinations are sightseeing, shopping, cultural events, religious sights, exhibitions, short holiday; for business clients these are meetings, incentives, conferences, business appointments or education. The motives for a visit can be business, culture and sightseeing, education, social or medical reasons, visiting relatives and friends or only transit (Law, 1996, 1993; Page, 1994).

Urban-type destinations can further be divided into *capital cities* that are typical of historical sights and museums of national as well as world quality level, shopping and entertainment centres and a high concentration of population; *industrial cities* with well-developed infrastructures but often worse environment; *big attractive historical cities* with well-preserved complexes of sights; *towns with pleasant surroundings and facilities for leisure activities and entertainment*, and *spa towns* that are typical of their natural sources. Here we can find differences in the level of infrastructure, the power of gravity and also in the motives for a visit (Law, 1996).

For dividing destinations Pásková (2009) recommends using the actual state of potential for tourism with the awareness of the fact that in the future the destination might be ranked differently due to tourism development. From the theoretical point of view the gravity level of main attractions is crucial as they create the main forms of tourism.

As Kolb (2006) states, an urban destination is considered to be a product consisting of material items, services as well as ideas that when combined together provide an integrated experience. Tangible features of an urban destination are buildings and their architecture, parks, streets, traffic infrastructure, historical sights and many others that create a picture of a historical, traditional or modern town; then it is the location (mountain, seaside) that completes its character. Other components of tangible features can be cultural facilities and buildings of a religious importance. Intangible elements of a destination are provided services and their level. Hughes (2000) says that tourism services do not include only accommodation and boarding services but also theatre productions, dance performances, sports events, concerts, shopping opportunities etc.

Tangible and intangible elements of a destination create the image of a town or a city and differentiate it from the others. Each town can have a different image in dependence on the combination of tangible components and services, as for example shown in the following table.

Table 1: The components of a town as a product and its image

Place	*Services/Events*	*Image*
Interesting architecture	Festivals	Exciting
Transportation system	Parades	Historical
Historical buildings	Cultural events	Charming
Cultural facilities	Plays	Friendly
Churches, temples, mosques	Sports	Beautiful
Unique street patterns	Tours	Artistic
Public parks or squares	Cinema	Ethnic
Walking paths, canals	Hotel rooms	Spiritual
Mountains, rivers, oceans	Dining	Licentious
Monuments	Entertainment	Family fun

Source: adapted according to Kolb, 2006

As stated by Ashworth, Page (2011), researches focused on urban tourism are elaborated as partial subtopics (incl. Visitors perception and satisfaction) while there are many scientific issues related to the development of postmodern cities, globalization and social-economic relationships among visitors and local inhabitants.

Materials and Methods

The characteristic components of destinations (Attraction, Amenities, Ancillary services, Accessibility, Available packet, Activities by Buhalis (2003) indicate that, although the service quality is primarily evaluated only in terms of functional quality, the destination assessment by technical quality aspects (the range of attractions and services) is necessary as well (Grönroos, 2007). Middleton and Clarke (2001) argue that a destination is made up of five components, three of which are the same as the components used by Buhalis (2003) (Attraction, Amenities, Accessibility) and the other two components are the image and perception of a destination and the price.

The factors that are evaluated in the questionnaire have been formulated on the basis of the original researches about the quality components of a destination (Buhalis, 2003; Middleton - Clarke, 2001) and on the basis of theoretical formulations for destination quality management presented by Woods and Deegan (2003) who analysed the quality models as SERVQUAL, Gap model, Kano model and EFQM model. The researched factors equally take into account the functional and technical quality of services (Grönroos, 2007) and are stipulated in order to suit all types of destinations (Ryglová, et al., 2015).

The objective of the article is to verify whether the originally stated quantifiable variables determining the quality of a destination can also be used for urban-type destinations or whether the set has to be modified with regards to the specifications of an urban destination. The variables that are called the factors of quality were taken from the work by Ryglová, et al. (2015) where their importance for the Czech population was verified (quota selection, N 1097).

The same factors were used for a primary research where the responders were asked about the importance of factors in an urban-type destination. The set of responders (N = 344) that were involved in the primary research was created on the basis of quota selection according to the gender of the population of the Czech Republic; all age categories were represented in the sample. For the purpose of identifying and determining the significance of quality factors of urban destinations that are crucial for visitors a questionnaire survey was conducted. The questions in the questionnaire were formulated in the form of a five-point scale where the value of 5 meant a very high/extraordinary importance of the assessed factor. The data were statistically processed with the aim to compare the results of both researches and to find the optimal number of latent variables/dimension for destinations of an urban type. To accomplish the given objectives the factor analysis was selected as a suitable method; for this it is necessary to choose a suitable number of factors at the beginning (in our situation we are using the term "the dimensions of quality"). For its determination the principal component analysis is often used and then the number of factors corresponds with the number of the first principal components before the eigenvalues of principal components decrease distinctly; these eigenvalues express the level of data variability explained by the principal component.

In the test research, where the impact of performance (satisfaction) of individual factors on the overall satisfaction or loyalty was determined, the primary data were processed by using the multidimensional regression analysis.

Results

The Table 2 shows 19 factors of quality ordered according to the average evaluation of their importance by the responders. For urban destinations the most significant factor of quality is F2-*Cultural monument* the importance of which is generally much lower for destinations (9th place out of 19 factors). The following factors F14 *Sense of security* and F15 *Destination cleanliness* are equal in their ranking for destinations in general; further on the order of factors differs. The specific evaluation of the order of factors is available in the work by Ryglová, et al. (2015). For the easier comparison of the factors they were joined into groups/dimensions so that it is possible to find out if the groups are generally usable for evaluating destination quality and destinations are possible to be mutually compared during the evaluation.

Table 2: The order of individual quality factors according to their average evaluation by the responders.

Num.	*Factor*	*Mean*	*Median*	*Std. Dev.*
F2	Cultural monument	3.94	4.00	1.10
F14	Sense of security	3.86	4.00	1.16
F15	Destination cleanliness	3.84	4.00	1.03
F6	Availability of transportation to the destination	3.68	4.00	1.14
F12	Level of prices of services and goods in the destination	3.67	4.00	1.01
F17	Uniqueness of destination	3.63	4.00	1.19
F13	Level of personnel quality in tourism services	3.59	4.00	1.05
F10	Friendly acceptance by the locals	3.58	4.00	1.06
F4	Food	3.54	4.00	1.07
F1	Natural attractions	3.53	4.00	1.25

F3	Accommodation	3.46	4.00	1.05
F5	Social and experiential events	3.46	4.00	1.18
F7	Local transportation	3.44	3.00	1.16
F9	Information and communication prior to arrival	3.42	3.00	1.08
F8	Availability and quality of information	3.38	3.50	1.14
F11	Image of the place	3.30	3.00	1.07
F19	Respecting sustainable development of the destination	3.20	3.00	1.09
F16	Overcrowding of the destination	3.14	3.00	1.18
F18	Additional infrastructure	2.96	3.00	1.15

Source: own work

The objective of the statistical analysis is to find a lower number of groups among the 19 evaluated factors – these are latent variables within which the evaluation of factors is similar. Input data were elaborated by means of the principal component analysis and then by the factor analysis. From the statistical as well as interpretation point of view 6 latent variables/quality dimensions were selected that explain over 64% variability of the 19 original variables (factors of quality). As the principal component analysis did not bring unambiguous information (Scree plot was not marked), more options for selecting the number of quality dimensions were tested. The method of extracting the principal component was conducted as well as the varimax rotation by which better assignment of quality factors to the six dimensions can be achieved.

The following Table 3 shows factor loads that express the correlations of the 19 quality factors with the 6 dimensions. The factors of individual dimensions are marked in the table columns. In the last lines there are the numbers of dimensions themselves and their conversion into the percentage expression of the overall variability explained by individual dimensions.

Table 3: Factor loads expressing the correlations of the 19 factors of quality with the 6 dimensions

Factor	*Dim. 1*	*Dim. 2*	*Dim. 3*	*Dim. 4*	*Dim. 5*	*Dim. 6*
F1	0.141	0.002	0.794	-0.212	-0.007	0.031
F2	-0.144	0.083	0.681	0.348	0.155	-0.032
F3	0.797	0.099	-0.046	0.261	0.066	0.029
F4	0.767	0.246	-0.012	0.168	0.113	0.041
F5	0.124	0.862	0.072	0.100	0.073	0.044
F6	0.303	-0.010	-0.012	0.809	0.163	0.025
F7	0.207	0.032	-0.029	0.808	-0.017	0.209
F8	0.044	0.258	0.359	0.354	-0.122	0.559
F9	0.297	0.130	-0.095	0.156	-0.057	0.651
F10	0.090	-0.029	0.072	0.119	0.159	0.720
F11	-0.032	0.255	-0.138	0.139	0.425	0.611
F12	0.300	0.096	0.081	0.080	0.555	0.146
F13	0.647	-0.029	0.114	0.221	0.215	0.348
F14	0.409	0.103	0.140	0.386	0.557	0.086
F15	0.464	-0.082	0.221	0.180	0.533	0.261
F16	0.039	0.060	0.020	-0.029	0.765	0.017
F17	-0.341	0.377	0.424	0.084	0.253	0.244

F18	0.217	0.625	0.011	-0.232	-0.006	0.382
F19	0.052	0.201	0.419	-0.142	0.134	0.533
Eigenvalue	2.572	1.575	1.709	2.082	1.914	2.386
Prop. Total Variability	13.5%	8.3%	9.0%	11.0%	10.1%	12.6%

Source: own work

Below the dimensions of quality for urban destinations and their factors are clearly stated.

Dimension 1: Services

F3 Food
F4 Accommodation
F13 Level of personnel quality in tourism services

Dimension 2: Experiences

F5 Social and experiential events
F18 Additional infrastructure

Dimension 3: Attractions

F1 Natural attractions
F2 Cultural monument
F17 Uniqueness of destination

Dimension 4: Transportation

F6 Availability of transportation to the destination
F7 Local transportation

Dimension 5: Wellbeing

F12 Level of prices of services and goods in the destination
F14 Sense of security
F15 Destination cleanliness
F16 Overcrowding of the destination

Dimension 6: Image

F8 Availability and quality of information
F9 Information and communication prior to arrival
F10 Friendly acceptance by the locals
F11 Image of the place
F19 Respecting sustainable development of the destination

The last line of the Table 3 reveals that visitors to urban destinations consider the quality of provided services – dimension 1 *Services* – to be the most important, followed by *Image*, *Transportation, Wellbeing, Attractions* and then dimension 2 *Experiences* as the last one.

When comparing the results with the first test research[1] , where an expanded set of 22 factors containing 3 new factors specific for urban destinations was evaluated *(the quality of nightlife, variety of services, existence of shopping centres),* the following facts were found out: three new factors came last as to the order of significance; after processing the data by the principal component analysis and the factors analysis they created a dimension together with the factors F5 *Social and experiential events* and F18 *Additional infrastructure*. So it can be stated that specific factors can be used for researching the quality of urban destinations as measurable variables towards the stated latent variable/dimension *Experiences*. Their individual significance for visitors was not verified, which can be explained by the fact that visitors consider them to be obvious and available in urban destinations and these are very rarely a crucial motive for their visit. What is also interesting is the finding that the dimension *Experiences* explains the lowest share of the overall variability explained by individual dimensions – so, it is the least important for visitors.

Then the comparison with the second test research[2] was made – this research evaluated the impact of the given factors on the visitors′ loyalty. The responders evaluated their overall satisfaction with the destination and the loyalty to the destination expressed by the level of their agreement with two statements: if they are planning to visit the destination again and if they will recommend the visited destination to their friends. Further on, the multidimensional regression analysis was used in the research mentioned above to explore the impact of the performance (satisfaction) of individual factors on the overall satisfaction or loyalty. After excluding statistically insignificant factors we can say that the overall satisfaction is influenced the most by these factors in the following order: *Image of the place, Food, Additional infrastructure, Accommodation, Destination cleanliness, Uniqueness of destination and Sense of security.* The resulting model explains 64% of variability. A repeated visit is influenced the most by the following factors: *Accommodation, Information and communication prior to arrival, Social and experiential events, Image and Uniqueness*; the model explains 46% of variability. Recommending to friends is influenced by quality factors only very little (7%) and the only significant factor is *Food*.

The important result of the comparison with the second mentioned research is the fact that the overall satisfaction of visitors to an urban destination is not influenced by the most significant factor F2 *Cultural monument*; on the other hand the factors F14 *Sense of security* and F15 *Destination cleanliness* are very important for visitors (Table 2) and concurrently they also have a significant impact on their overall satisfaction.

Conclusion

The objective of the article was to verify whether the 19 originally formulated factors of destination quality can be used for destinations of an urban type and on the basis of statistical analyses to determine the dimensions of quality that reduce the original number of factors and that will be enforceable for evaluating the quality of urban destinations. Six dimensions were defined – *services,*

[1] The primary research, November 2015 (N=145), the questionnaire for evaluating the importance of 22 quality factors of an urban destination, the evaluation in the form of a 5-point scale when the value 5 meant a very high/extraordinary significance of the evaluated factor.

[2] The primary research, November 2015 (N=246), the questionnaire for evaluating the satisfaction and loyalty of visitors with 19 factors concerning the quality of an urban tourist destination, the evaluation in the form of a 5-point scale when the value 5 meant a very high/extraordinary satisfaction with the evaluated factor.

experiences, attractions, transportation, well-being and *image* – that contain the basic components of a destination (Buhalis, 2003; Kolb, 2006; Hughes, 2000), image (Middleton and Clarke, 2001) and within the frame of the new dimension well-being they reflect current customers´ requirements on the price, cleanliness, overcrowding and the security of a destination. The results proved that the original set of destination quality factors can be used as the other stated variables do not have a crucial importance for visitors. The significance of the provided services´ quality and the visitors´ requirements on the security, cleanliness and uniqueness of a destination resound in all conducted analyses.

This paper stems from the research realized in the frame of the project GAČR- the Quality Evaluation of Tourism Destination N.15-21179S

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SURVEY PAPERS

Davide Donofrio

THE HOSPITALITY SECTOR IN CENTRAL EASTERN EUROPE: A VALUE CHAIN PERSPECTIVE

Abstract: *The hospitality sector provides a major contribution to employment in Central Eastern European (CEE) economies and is a key sector, due to its strong linkages on the supply side. In this analysis, we analyse the hospitality sector in 7 CEE countries over a time span of 15 years, with a focus on labor skill distribution. Exploiting a value-added decomposition framework, we highlight the contribution of human capital, inter-sectoral backward linkages and access to foreign markets to hospitality value chains in Central Eastern Europe.*

Key words: *Hotels and restaurants, global value chains, human capital*

JEL Classification: *J24, R15, Z31*

Introduction

Tourism is one of the most dynamic and fastest growing economic activities in the world, representing a consistent part of countries' GDP. Its product is composite and complex by nature, since it involves the interaction of heterogeneous agents and different sectors. The hotel and restaurant (H&R) industry[1] is one of the most relevant components of the tourism activity and it is closely related to the dynamics of both domestic and international tourism.The H&R sector gives a substantial contribution to job creation and unemployment reduction, especially for weaker categories in the job market (such as youth, women and migrant workers) and during recessions (Baum, 2013).Compared to other service industries, the hospitality sector is highly labor intensive as well as low knowledge intensive. These two features render employment in the H&R sector less subject to changes over time. However, recent trends such as population ageing, the increase in ICT raised a demand for higher skilled labor, such that interventions in education and skill upgrading of the hospitality sector workforce are essential.

The objective of this work is to analyse the dynamics of the H&R sector in 7 Central Eastern European (CEE) countries: Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia. All these countries share a common path of transition from socialism to capitalism and later accession to the European Union. In order to consider these transitions, our analysis will focus on a time range of 15 years, between 1995 and 2009. We do not take Baltic countries into consideration.

[1] We will refer to the hotel and restaurant sector alternatively as the hospitality sector.

Using the relatively unexploited World-Input-Output-Dataset, our aim is to assessthe contribution of human capital, of inter-sectoral domestic and foreign linkages to hospitality value chains in Central Eastern Europe.

Materials and Methods

Literature Review

There are two branches of research related to our work. First, there is a well-established literature on hospitality economics, input-output tables and tourism linkage analysis. Second, there is a smaller group of works on tourism-related industries in CEE countries, which highlight the sectoral impact on employment and the importance of human capital.

Linkage analysis assesses the relevance of one industry with respect to others as a supplier (forward linkages) or as demander (backward linkages). Most researchers focus their attention on the demand side while only a few analyse the supply side, nevertheless large tourism-related industries such as hospitality and air transportation usually have fewer forward linkages as their product is mainly sold directly to final consumers. Although being very powerful in explaining inter-industrial relationship and comparing different countries, linkage analysis cannot be used to make inference and predictions (Cai et al. 2006). This results a large gap in understanding the sources of competitiveness of the industry in the light of globalized production process and organisations (Mohammed et al., 2015). The input-output analysis has been widely used in literature to measure the economic impact of tourism and more specifically hospitality through the calculation of multiplier. Only the recent availability of homogenous input-output tables for several countries over a long range of years has improved the quality and reliability of research in this field (Teigeiro and Diaz, 2014). Teigeiro and Solis (2013) analyse inter-sectoral linkages of the H&R industry for a large set of countries and find that hospitality is a driver sector in the CEE countries under consideration, meaning that it has strong backward linkages but weak forward linkages as the output is mainly used for consumption.Lamonica and Mattioli's work (2015) is one of the first to employ the World Input-Output Database to analyse the direct and indirect inter-sectoral relationships of the H&R sector in the largest economies and find that it is an independent sector with few interactions with other sectors. As regards CEE countries,Surugiu et al. (2009) uses the Romanian input-output table to assess the inter-sectoral impact of tourism through forward and backward linkages with respect to other sectors.

There is a broad agreement in the literature that the impact of tourism and hospitality industries on economic growth and employment is dependent on the relative rank of the sector and its level of integration in the economy. Aguayo (2005) studies the evolution of international and domestic tourism in Central Europe until 2002. The author claims that tourism can give a great contribution to regional development through its effect on the GDP and job creation, but its role differs according to the weight that it has in the economy of the region and in the interdependencies with other domestic industries. Niewiadomski(2015) analyses the influence of the hospitality sectors, in particular international hotel groups, on regional development in CEE countries, using a global production network framework. Apart from inter-sectoral linkage, he identifies other three main areas of influence: infrastructural upgrading, knowledge transfer andemployment.The author argues that the employment upsurge is expected to vanish along economic development and increase in labor costs.Krstic et al. (2014) find that the quality of human resources in tourism sector has a positive influence not only on the tourism sector but is highly correlated with the global competitive index in CEE countries. The measure of the travel and tourism competitiveness index for human resources captures education and training levels in a country, and measures educational attainment rates (primary and secondary), overall quality of the country's educational system, private-sector involvement in upgrading human resources.Bellak et al. (2008) argue that government policies with the aim to improve human capital education and training programs for workers may enhance productivity of labor and favour FDI in CEECs.It is argued that productivity in H&R sector may depend on managerial capabilities (Jones and Siag, 2009). The demand for skilled labor force in larger economies is constantly growing due to both increase in jobs in services relative to manufacturing and driven by technological changes, changes in demand and global trade (Los et al., 2014). Moreover, the jobs in hospitality are less subject routinization due to their nature (Freedman and Kosova, 2014). It is generally recognized that new technologies in hospitality are complements for labor skills rather than substitutes. Also, the H&R sector growth perspectives in CEE countries are higher with the raise of mass consumption tourism during recession periods due to a regionalization of tourism flows and increasing importance of pricing as the driver. In this scenario, the need for skill is polarized around high-skill and low-skill positions (Oxford Research, 2008)

This contribution relates to both strands of literature since it tries to explore the H&R sector in CEE countries under a value chain perspective, emphasizing the contribution of quality of human capital, inter-sectoral linkages and foreign value-added.

Dataset

In this work the main data source for analysis is the World Input-Output Database (WIOD). The WIOD is a time series of Inter-Country Input-Output tables, ranging from 1995 to 2011 and covering 35 sectors and 40 countries worldwide. It was created by a consortium of European research institutions and funded by the European Commission. Timmer et al. (2012) provide a detailed description of the WIOD, its sources and construction methods.

By looking at the single columns of the yearly World Input Output Tables (WIOT), we can highlight the traded value contribution of intermediate inputs on the gross output at country-sector level and distinguish between domestic production sharing, that is the gross trade value of intermediate inputs sourced from other sectors in the country, and the value of foreign sourcing of intermediate inputs from abroad.The rows of the tables indicate the distribution of the output over use: intermediate use by other industries or final consumption by households, government or firms absorbed domestically and gross export.

An additional section of the WIOD, called Socio-Economic Account, contains information on the quantity and prices of factor inputs used in the production process, as well as data on employment and wages by three skill level. The classification of the labor skill types is made according to the International Standard Classification (ISCED): low-skilled correspond to ISCED categories 1 and 2, medium-skilled to categories 3 and 4 and high-skilled to categories 5 and 6. The Socio Economic Account has the main advantage that it can be used with the WIOD since it also provides data at a country-sector level of disaggregation over fifteen years.

The WIOD presents some major advantages compared to previous sets of input-output tables. First of all, it includes detailed information on gross output,value-added, input factors and employment by skill level at sectoral level of disaggregation for 40 countries. This level of detail makes the hospitality sector analysis accurate and the construction method through the harmonization of basic supply and use table allows for cross-country comparability with a high degree of data reliability. Moreover, unlike earlier datasets, the WIOD can be used in analyses over time. In particular, the time span of 15 years between 1995 and 2009 is particularly relevant for the set of countries we consider because it covers the period of transitioning from post-socialism up to the integration in the European Union.

In Table 1, we report the main descriptive statistics for the H&R sector in CEE counties in 2009. Despite a certain degree of heterogeneity across CEE countries, we can say that on average the hospitality sector in these countries perform relatively worse, with respect to output and employment measures, compared to the mean values for the group of the current 27 European Union countries (EU27). However, disregarding cross-country differences, the gross output of the H&R sector in CEE countries is composed by a larger share of intermediate inputs, both domestic and foreign, and a lower share of value added, compared to the EU27 group.

Table 1: Main descriptive statistics of the WIOD – H&R sector in 2009

Country	*H&R sector gross output*	*Total gross output*	*H&R sector gross output (share)*	*H&R sector domestic inputs (share in gross output)*	*H&R sector foreign inputs (share in gross output)*	*H&R sector value added (share in gross output)*	*Persons engaged in H&R sector*	*Persons engaged (all sectors)*	*Persons engaged in H&R sector (share)*
Bulgaria	1785.57	106237.60	1.68%	37.74%	8.25%	51.44%	123.00	2723.51	4.52%
Czech Republic	6752.59	458086.20	1.47%	52.82%	6.51%	37.92%	146.02	4253.93	3.43%
Hungary	4799.27	264522.80	1.81%	46.39%	11.20%	37.22%	133.33	3560.73	3.74%
Poland	9118.08	865782.90	1.05%	38.55%	5.27%	51.18%	278.30	12206.71	2.28%
Romania	6516.37	312861.40	2.08%	43.92%	8.65%	43.06%	137.95	6583.09	2.10%
Slovakia	1948.27	195303.20	1.00%	32.35%	7.86%	56.56%	47.95	1848.26	2.59%
Slovenia	2068.71	95937.80	2.16%	38.29%	9.37%	48.68%	28.87	800.56	3.61%
CEEC	32988.85	2298731.90	1.44%	43.24%	7.63%	45.01%	895.42	31976.79	2.80%
EU27	874311.08	30649185.56	2.85%	40.93%	5.03%	50.91%	7887.34	189660.16	4.16%

Source: Own calculations based on the World Input-Output Database.

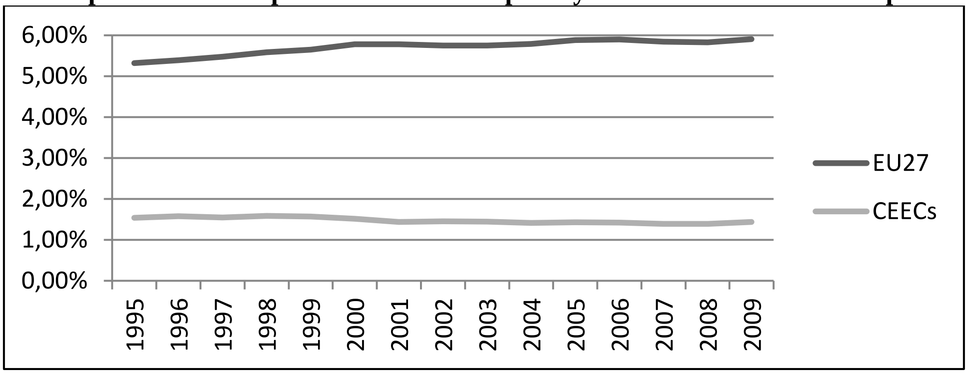
Note: Gross output in US$ millions; Number of persons engaged in thousands

Descriptive statistics

We analyse of the direct economic contribution of the H&R sector in CEE countries on overall economic performance and employment over time, compared to the European Union average values. This analysis overlooks the induced economic impact by H&R employees' consumption and channels of impact deriving from linkages of other industries in the supply chain of the hospitality sector.

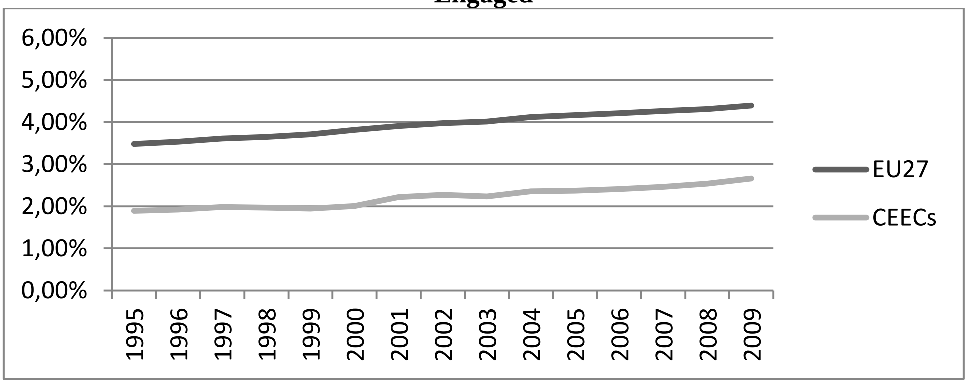
The average sectoral share of gross output generated by the hospitality sector on the total gross output of the group of CEE countries is below the average share for the EU27 group and has slightly decreased over time to 1.44% in 2009, with Slovakia at just 1%. The direct contribution in gross output of the H&R sector on the economy in the European Union has increased from 5.32 to 5.91%.

Graph 1: Gross Output Share of the Hospitality Sector in Total Gross Output



Source: Own calculations based on the World Input-Output Database.

Graph 2: Share of Persons Engagedinthe Hospitality Sector in Total Number of Persons Engaged

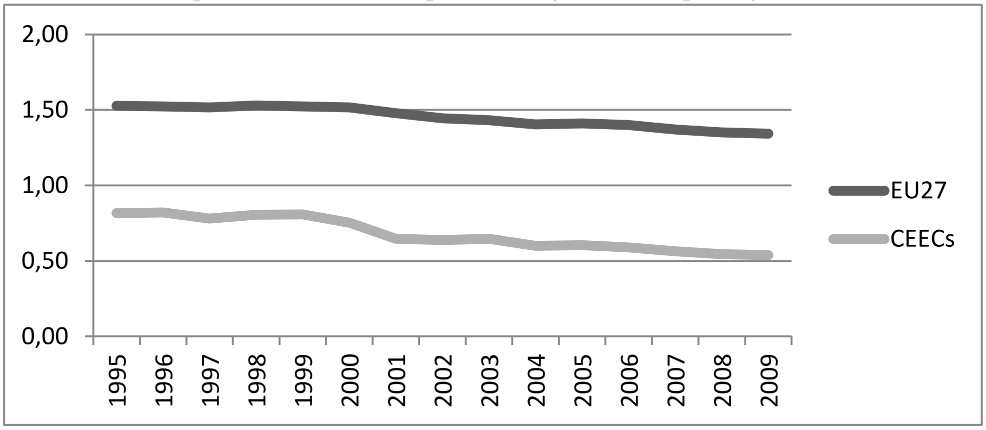


Source: Own calculations based on the World Input-Output Database.

Despite the drop in direct contribution of the H&R sector with respect to other sectors in CEE countries, employment has to some extent shifted towards hospitality. In particular, the share of persons engaged in H&R has increased to 2.66%, with a peak of 4.52% in Bulgaria. Still, employment in hospitality sector in the group of EU27 consists of a larger share with respect to the set of seven CEE countries.

The ratio of the relative share of gross output of the hospitality sector to the relative share of employment can be interpreted as a relative measure of labor productivity of the H&R sector compared to the average of all sectors. The labor productivity average equals 1 in the graph below. It is clear that, over the 15 years, labor productivity has decreased in both groups of countries, and the drop has been more dramatic in CEE countries. Moreover, in the new EU members, labor productivity in the hospitality sector has been consistently below the average of all sectors.

Graph 3: Relative labor productivity in the hospitality sector



Source: Own calculations based on the World Input-Output Database.

Low productivity levels may be related to low quality of human capital. Improvements in productivity may be pursued by increasing trainings periods and skills for workers in the hospitality sector.Firms are aware that skilled workers attraction and retention is crucial for competitiveness. Increases in labor productivity are shown to improve efficiency and welfare. However, businesses tend to underinvest in training due to financial constraints related to firm size or employee turnover risk. In this sense, government intervention can play a key role in sustaining policies aimed at improving skills, human capital quality and regular training (Blake et al., 2006).

Table 2 provides a clear picture of how skills are distributed in the hospitality labor force in 2009 and how they changed relative to 1995. In CEE countries, the share of high skilled workers is consistently below the EU27 group average but it has increased in all the countries, with a peak in Hungary (+4.7%). Analogously, the share of low-skilled workers is decreasing in the H&R sector of all the CEE countries, except the slight increase in Slovakia, but it still remains the most consistent labor skill share in Romania and Bulgaria. The share of medium skilled workers is the most consistent all the countries, except Romania and Bulgaria, where the increase is the largest nonetheless. We can claim that there has been- a skill upgrading in the H&R sector in CEE countries over 15 years but, compared to the EU27 group average, CEE countries are below the EU27 average in terms of share of both high-skilled and low-skilled workers.

Table 2: Total hours worked by persons engaged in 2009 and shares by skill levels

	Total (milions)	*High Skill*	*Medium Skill*	*Low Skill*	*Change High*	*Change Medium*	*Change Low*
Bulgaria	280.6	3.0%	18.0%	79.0%	1.0%	7.0%	-8.0%
Czech Republic	418.6	3.0%	90.0%	7.0%	0.0%	2.0%	-2.0%
Hungary	314.5	9.9%	77.2%	12.9%	4.9%	-0.8%	-4.1%
Poland	544.6	10.0%	81.0%	9.0%	4.0%	-1.0%	-3.0%
Romania	275.3	3.0%	18.0%	79.0%	1.0%	7.0%	-8.0%
Slovakia	143.8	4.0%	92.0%	4.0%	0.0%	8.0%	-8.0%
Slovenia	63.8	7.0%	78.0%	15.0%	2.0%	-3.0%	1.0%
CEEC	2041.4	6.1%	65.8%	28.1%	2.2%	1.2%	-3.4%
EU27	16825.0	10.5%	48.9%	40.6%	5.1%	6.9%	-11.9%

Source: Own calculations based on the World Input-Output Database.

Note: Changes are relative to year 1995

There is a positive and significantly high correlation in the hospitality sector in the CEE countries between the share of hours worked by high-skilled workers and economic performance measures such as gross output and value-added, displayed in Table 3. The correlations of output and value-added with medium-skill share and low-skilled share of total hours are respectively lower and negative. These figures seem to suggest that the sectoral growth and value-added generation are linked to the job skill distribution and, more generally, to the quality of human capital in the hospitality sector in CEE countries.

Methodology

Following Timmer et al.'s (2015) study of the German automobile sector, we make use of the decomposition methodology proposed by Leontief (1949) and apply it to the WIOD relatively to the hospitality industry in CEE countries.The value added generated by each factor at any level of production K is given by the following equation:

$$\boldsymbol{K} = \boldsymbol{F}(\boldsymbol{I} - \boldsymbol{B})^{-1}\boldsymbol{C}$$

where *F* represents a diagonal matrix of the value-added to gross output ratios in all countries and industries.

Table 3: Pairwise correlations for the H&R sector in CEE countries(1995-2009)

	GO	*VA*	*DII*	*FII*	*NPE*	*THWPE*	*H_HS*	*H_MS*	*H_LS*
Gross Output	1,000								
Value Added	0,984	1,000							
Domestic Intermediate Inputs	0,985	0,941	1,000						
Foreign Intermediate Inputs	0,881	0,815	0,885	1,000					
Number of Persons Engaged	0,749	0,773	0,722	0,521	1,000				
Total Hours Worked by Persons Engaged	0,740	0,738	0,738	0,552	0,977	1,000			
Hours worked by high-skilled persons engaged (share)	0,451	0,504	0,384	0,309	0,378	0,311	1,000		
Hours worked by medium-skilled persons engaged (share)	0,179	0,182	0,196	0,040	0,060	0,108	0,553	1,000	
Hours worked by low-skilled persons engaged (share)	-0,204	-0,212	-0,215	-0,059	-0,085	-0,126	-0,601	-0,998	1,000

Source: Own calculations based on the World Input-Output Database.

$(I-B)^{-1}$ is the so-called Leontief inverse, which represents the value of gross output generated at each stage of the production process for one unit of consumption. *C* is the final consumption vector. Substituting the production requirement matrix *F* for the value-added ratios of each input factor separately, we can make analogous decomposition in order to highlight the factorial contribution of labor by skill level and capital.The so-called global value chains (GVC) are represented by the columns of the matrix *K*. Each column corresponds to a final product of the country-sector of completion and each cell in the GVC column displays where the value-added stems from. With this accounting framework, we can decompose the final output of the hospitality sector in CEE countries according to several dimensions and assess the value-added contribution of foreign and domestic sectors and by production factors.

Results

Table 4 represents the decomposition of final output of the H&R sector in CEE countries. In particular, the table shows the share of the industry final output generated domestically in 1995 and 2009 and its change over the fifteen-year time span.Despite a slight increase in the period 1995-2009, the share of foreign value-added of final output is on average lower than 20% in CEE countries and almost 11% in the EU. Therefore, the H&R sector can be considered a sector in which final output is mostly generated domestically and the interaction of the sector with foreign value chains has slowly grown but is still limited, except the case of Hungary.

Table 4: Foreign value-added shares in final output of H&R sector

	2009	*1995*	*% Change (2009-1995)*
Bulgaria	17.4%	21.0%	-3.6%
Czech Republic	17.3%	16.6%	0.7%
Hungary	23.4%	18.2%	5.2%
Poland	12.5%	8.2%	4.3%
Romania	16.2%	13.7%	2.5%
Slovakia	14.6%	19.0%	-4.4%
Slovenia	16.8%	14.9%	1.9%
Total CEE Countries	16.6%	15.0%	1.6%
Total EU27	10.7%	9.7%	1.0%

Source: Own calculations based on the World Input-Output Database.

The H&R final output can be further decomposed on the basis of factor inputs used in production: high-, medium-, low-skilled labor force and capital income, computed as residual. The average value added shares of factor input in the CEE countries are close to the average shares in the EU, while a deeper analysis at country-level shows a heterogeneous decomposition of shares in different countries. In particular, Romania and Bulgaria low-skilled labor and capital shares are relatively higher compared to other countries, while Czech Republic and Slovenia have higher contribution from medium-skill value-added. A common pattern to all countries and group of countries is the increase in the value-added share of high-skill employment since 1995. This evidence supports the idea that the relevance of higher quality of human capital is increasing in hospitality sector, in this case for its value-added contribution to final output.

Table 5: Factor shares in final output of H&R sector

		Value added shares in 2009 (%)				*Changes in share (2009-1995) (%)*			
Country	*Final Output (US$m)*	*High Skill*	*Medium Skill*	*Low Skill*	*Capital*	*High Skill*	*Medium Skill*	*Low Skill*	*Capital*
Bulgaria	1,468	8.6	12.4	30.5	48.6	2.4	-2.0	-19.6	19.2
Czech Republic	4,193	14.3	52.0	4.9	28.8	7.0	21.0	0.4	-28.4
Hungary	3,618	20.5	44.2	7.8	27.5	8.1	0.7	-2.2	-6.7
Poland	6,279	12.2	39.9	5.5	42.3	3.8	-8.0	-3.0	7.2
Romania	4,564	7.1	11.1	35.6	46.2	3.4	3.1	9.6	-16.1
Slovakia	1,027	7.1	39.3	3.1	50.5	1.0	5.6	-2.5	-4.1
Slovenia	1,413	17.9	53.9	10.0	18.3	4.1	-6.1	-5.5	7.5
CEEC	22,561	12.8	36.1	13.6	37.5	4.5	2.2	-0.4	-6.3
EU27	689,930	15.7	31.0	21.7	31.6	5.1	-0.2	-9.3	4.4

Source: Own calculations based on the World Input-Output Database.

A deeper investigation of the value-added generated domestically allows us to track the inter-sectoral backward linkages of the H&R sector, that is the national industries "supplying" value-added to the final output of the hospitality industry in CEE countries. In Table 6, the main backward linkages are shown for each country and each set of countries. We find that the some of the main domestic backward linkages of the H&R sector in CEE countries are with agriculture, food and beverage, real estate sectors and other business activities.On one hand, the contribution of the primary sectors is on average higher in CEE countries compared to the EU27 group, with a high degree of heterogeneity across countries (for instance, 12.83 % in Romania and 2.11 % in Bulgaria). On the other hand, CEE H&R sectors, in particular in Romania and Poland, has a lower relative contribution from other services sectors such as real estate and other business activities with respect to the mean values for the EU27 group. We are cautious about inference on the basis of this findings, however the figures suggest that the primary sectors have stronger linkages within the hospitality value chains in CEE countries than in the overall EU27 group and this may be relevant for the regional impact of the H&R sector on rural development.

Table 6: Domestic sector contribution to final output in % (backward linkages)

	H	*AtB*	*15t16*	*E*	*F*	*51*	*52*	*J*	*70*	*71t74*
Bulgaria	54.78	1.11	1.00	1.35	2.86	1.15	0.73	2.74	5.68	2.25
Czech Republic	40.48	1.70	3.21	2.17	2.05	4.65	2.28	2.21	5.73	9.00
Hungary	41.50	3.32	3.39	1.68	0.80	1.74	1.94	2.89	4.55	6.24
Poland	56.18	2.57	4.89	2.00	0.99	3.60	4.00	0.74	1.58	2.85
Romania	47.80	5.67	7.16	1.23	2.27	3.51	1.92	1.84	1.70	1.41
Slovakia	60.30	1.63	1.71	3.04	1.35	2.65	2.26	0.55	4.18	3.42
Slovenia	52.54	2.97	2.75	1.88	0.96	2.71	2.25	1.96	3.64	5.59
CEEC	49.08	3.04	4.27	1.82	1.55	3.22	2.53	1.78	3.37	4.40
EU27	54.74	2.03	3.84	1.33	1.00	2.91	2.88	2.43	4.42	6.10

Source: Own calculations based on the World Input-Output Database.

Note: H = Hotels and restaurants; AtB = Agriculture, hunting, forestry and fishing; 15t16 = Food, beverages and tobacco; E = Electricity, gas and water supply; F = Construction; 51 = Wholesale trade and commission trade, except of motor vehicles and motorcycles; 52 = Retail trade, except of motor vehicles and motorcycles; repair of household goods; J = Financial intermediation; 70 = Real estate activities; 71t74 = Renting of m&eq and other business activities

Discussion

The relevance of the hospitality sector for the creation of employment opportunities is widely recognized, in particular in developing countries. It plays a significant role in supporting job market entry and participation of weaker groups of workers, such as women, migrants, young and unemployed people during recessions (Baum, 2013). The hospitality sector is by nature labor-intensive; less knowledge-intensive and jobs are usually subject to seasonality and characterized by high turnover and bad working conditions.We highlight that although the share of employment in the hospitality sector increased in the CEE countries, this did not correspond to an equal increase in the share of gross output, as it did when considering the average value for EU27. Among other reasons, the decreasing relative impact of the H&R sector on total gross output may be attributable to the development and concentration of European manufacturing activity in Central Europe over the last decades (Stehrer and Stollinger, 2015).This raises a concern on relative labor productivity in the hospitality sector, which worsened over the years in the newer member states in the European Union compared to the older ones. Low labor productivity is reflected in low wages and poor work conditions.A considerable issue in several CEE countries is the lack of highly qualified workforce in the hospitality sector. The data on skill distribution of the workforce in the H&R sector in CEE countries is still unbalanced towards larger shares of medium and low-skill workers. Although there has been a small increase in the share of high-skill workers between 1995 and 2009, it remains far below the EU27 group average for most countries in the CEE area.The characteristics of the industry such as seasonality do not facilitate the attraction and the retention of qualified labor force. Highly qualified workers from Eastern European countries have greater incentives to work in the hospitality industry abroad, in foreign European countries, such as Spain, where their capabilities and skills are better compensated (EFILWC, 2012). We point out that the share of high-skill workers in the H&R industry is positively and significantly correlated with output and value-added in CEE countries. Although it would be necessary to investigate the existence of a causality relationship, the simple correlations corroborate the idea that quality of human capital is linked to economic performance and competitiveness in CEE tourism-related industries.Jobs in the H&R sector are intensive in personal services and are therefore non-routine in nature. They are relatively unaffected by technological changes, since they cannot be easily replaced by technology. Lower-skilled employment in the H&R sector in CEE countries can benefit from the job polarization trend, with faster employment and wage growth in the higher and lower skilled jobs (Goos et al, 2011). The different occupational skill distribution in the EU27 countries may reflect this phenomenon.

The value-added decomposition of the H&R sector final output in CEE countries along different dimensions allows us to grasp some ideas about how the hospitality value chains in these countries has changed over 15 years and how it compares with respect to the average of the EU27 group.The factorial decomposition shows a common trend to all CEE countries, that is the still limited but increasing contribution of high-skilled labor in final output. Also, the share of low-skilled workforce is on average lower compared to the EU27.

Although the hospitality sector in CEE countriesremains a relatively less integrated sector in global value chains, the foreign value-added percentage of final output in CEE H&R sector is higher relative to the EU27 average and has generally increased between 1995 and 2009 for most CEE countries, with the exception of Bulgaria and Slovakia. This finding can be interpreted in two ways: accession to the European Union is likely to have favoured greater integration within the regional European markets or, at the same time, there may be some country-sectoral specific characteristics which render the H&R sector more dependent on abroad. This would mean that international sectors contribution to hospitality in CEE may compensate for domestic market constraints concerning value-added generation.

As regards linkage analysis, the H&R sector is notable for being a so-called driver (Teigeiro and Solis, 2013; Lamonica and Mattioli, 2013), since it has weak forward linkages and its output is mainly directed for final consumption. On the supply side, the H&R industry in the European Union has strong backward linkages with domestic value chains, in particular agriculture, food and beverages, wholesale trade, real estates and other business activities. Hospitality value chains in CEE countries are on average more integrated in national supply chains compared to the EU countries. However, when looking at cross-country differences, one may notice that Bulgaria and Slovakia have significantly fewer interaction with other sectors on the supply side, as most of their value added in final output is directly generated by the H&R sector. The value-added decomposition of the hospitality supply chains in CEE economies may have considerable implications for policy impacts from one sector to the other.

Conclusion

The hospitality industry is a major sector for job creation and plays a significant role in CEE economies through the inter-sectoral linkages on the supply side. Thanks to a greater availability of new input output tables (the WIOD), the objective of our work is to assess the common trends and patterns in employment and performance of the sector using a value chain perspective, with a focus on human capital.

In this first empirical approach towards the characterization of hospitality value chains in CEE economies, we find that the H&R sector in CEE countries is on average mainly a domestic industry with stronger backward linkages with primary industries, real estates and other business activities. The involvement in foreign supply chains is increasing and likely to have been facilitated by the accession to EU regional market. However, single CEE countries often show heterogeneous patterns related to value added and factorial decompositions, so that generalizations are usually misrepresentative.

We emphasize that relative employment growth in H&R in CEE countries has been higher than the average of the EU27 group. However, this boost in job creation was not balanced by a relative increase in the output contribution. This brings to light a decreasing relative labor productivity issue in the H&R in CEE countries, more severe compared to the average of all the European Union countries. We argue that this labor productivity gap could be partly associated to the different skill distribution of the workforce, less skewed towards high skilled workers in CEE countries with respect to the EU27 group. We find that highly skilled human capital is correlated with greater economic performance and its contribution to CEE hospitality value chains is still relatively low but increasing.

Despite the H&R sector is low-knowledge intensive, current trends in hospitality and technological changes are generating a demand for job skills which businesses struggle to satisfy. Therefore, it is necessary that public and private investments be directed towards training and education programmes aimed at building the necessary capabilities in the sector, in order to favour employee retention and attraction and boost the overall sectoral competitiveness.

Future work is needed to better assess the direct and indirect impacts of hospitality value chains on economic performance and employment in CEE countries, via inter-sectoral linkages with domestic and foreign industries within and outside the EU region, and to quantify the effect of quality of human capital on sectoral growth and competitiveness.

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INFORMATION PAPERS

Lucia Klimková, AdélaKrchňáková, Ida Vajčnerová

COMPARISON OF CORPORATE SOCIAL RESPONSIBILITY CONCEPT AND CONCEPT OF SUSTAINABLE TOURISM

Abstract: *The research paper aims to look for the possible intersections between corporate social responsibility and sustainable tourism, furthermore, its aim is to find out whether these two concepts are mutually influential, if yes how and what connections are between them. The research is build on theoretical analysis, which is based on study of literature of both concepts, as the paper searches for similarities, and on the contrary, differences between corporate social responsibility and sustainable tourism. It was found that sustainable tourism could be a subset of CSR concept, which is identical, however, focused on one specific sector, due to the specific properties of the tourism industry.*

Key words: *comparison, corporate social responsibility,* indicators, *sustainable tourism, triple bottom line, monitoring*

JEL Classification: M1, M14, Z 32

Introduction

Today's world is characterized by its constant change in which human activity plays very important role because of it permanent influence on sociocultural, economic and environmental aspects. This actuality caused creation of the concept of corporate social responsibility. The concept of corporate social responsibility has become such phenomenon that organizations follow it to such an extent that they are willing to adapt and also create their strategies and internal policies in order to fulfil the mentioned concept.Therefore, this situation influences the companies' orientation not only towards profit but also towards other requirements of current society. Tourism, a specific industry requiring responsible behaviour from its essence, is one of the largest and fastest growing economic sectors. Tourism has a great impact on the changes of nature, landscape, social and cultural environment which is caused by large amounts of visitors and tourists, development and infrastructural operations which are carried out in order to satisfy the needs of the visitors. Therefore, it is needed to pay a special attention to the development of tourism what also led to the formation of sustainable tourism concept. The concept of sustainable tourism ensures the necessities of the present day in a way that it does not limit the ability to satisfy the needs of future generations to fulfil their own needs (Ministry of the Environment, 2010). While corporate social responsibility may be performed by individual organizations, sustainable tourism is related to the whole touristic areas together with their impacts on local inhabitants. Its development should be managed by destination management, which aims to coordinate activities of participants involved in development of tourism in the destination, create strategic plans for the development, organize cooperation between commercial and non-profit sector, carry out marketing activities and manage the whole destination (Ryglová and collective, 2011). Therefore, it is necessary to perform quality destination management in order to ensure competitive ability and sustainability of the destination. According to Šauer (2015), it is a specific type of recreation resource management, visitor management and local community management. This concept is, nowadays, part of many documents of world organizations and national legislation. This similarly applies to the concept of CSR. Both concepts are known because of their significance. In many cases they are based on the same basis and principles. The research paper follows the studies of Lanfranchi, Giannetto, Pirnea (2015), Henderson (2007) that are concerned with the comparison of two concepts.

Materials and Methods

The origin of the concept of corporate social responsibility (CSR) has its roots in the second half of the 20th century. It was represented in the book Social Responsibilities of the Business written by H. R. Bowen and, since then, it has raised its public awareness what has conduced to its importance and popularity. The wider spectrum of definitions of CSR contributes to its disunity, however, despite this the authors share the same idea of considering the organizations belonging to both private and public sectors to be responsible for society as their actions have both positive and negative effects on it. The significance of CSR concept is proved by researches such as Foote, Evans, Gaffney (2010), Lee, E.M., Park and Lee H.J. (2013). Combos and Halladay (2012) describe corporate social responsibility to be a voluntary action applied by organizations when fulfilling their duties towards all participating parties and the society as a whole. Due to the reason of universality of the concept of corporate social responsibility it is possible to apply it in variety of types of organizations, it has different kinds of implementation and it is dependent on activities and specialization of the concrete organization.

The core of sustainable development was introduced few years later when it was mentioned for the first time in the report called Our common future, in which the World Commission on Environment and Development defined sustainable development as development that meets the present needs without limitation of future generations to meet their own needs (Jurigová, Lencsésová, 2015). Lanfranchi and collective (2015) define sustainable tourism as a development which satisfies the needs of present tourists and host regions and it, at the same time, protects these opportunities for the future. In 1992, there were proposed further principles of sustainable tourism based on its starting points (United Nations Sustainable Development, 1992; in Jurigová, Lencsésová, 2015):

- use of sustainable resources,
- decrease of excessive consumption and wastes,
- preservation of diversity,
- integration of tourism into planning,
- support of local economies,
- engagement in local communities,
- consultations with participating parties and the public,
- trainings for employees,
- responsible tourism marketing,
- involvement of organizations focusing on research.

In 2006, the United Nations together with World Tourism Organization created the series of goals related to sustainable development: economic vitality, local prosperity, employment quality, social equity, visitor fulfilment, local control, community wellbeing, cultural richness, physical integrity, biological diversity, resource efficiency and environmental purity (Popescu, 2014).

Triple Bottom Line

Triple Bottom Line was created by JognElkington in 1996 (Elkington, 2004). It suggests that organizations will prepare three different bottom lines measuring three Ps, PROFIT – PEOPLE – PLANET. In other words, the main goal of the triple bottom line is to evaluate and measure economic, social and environmental performance of organizations, what also creates three basic pillars of CSR. In 1999, the author of the triple bottom line himself carried out the research of its growth trend. He examined the experts in the area of both corporate social responsibility and sustainable development, which proves the strong connection between them.

Similarly, according to Ministry of Regional development (2007), the main essence of sustainability is to fulfil the three main goals. These goals are social development, which respects the needs of everybody; effective protection of environment and considerate use of natural resources; sustaining high and stable economic growth and employment. Thus, all three pillars are equally important for the concept of CSR as well as for the concept of sustainability, they influence each other mutually and only in case of their intersection we talk about sustainability or CSR.

Results

From examined characteristics of the concepts it can be stated that they are both based on the same principles and they have gone through similar development. The concepts were created one after another, and since their beginning they both are voluntary concepts with many definitions, long – term perspective, focus on needs of both present and future generations and their activities are carried out without specific termination. The organizations are not obliged to fulfil these two concepts, however, by doing so they build their good reputation, positively affect their environment and their stakeholders, which result in differentiation from competitors. Added value is also created in this way which is then appreciated by the customers and visitors. From the viewpoint of sustainable tourism, this is confirmed by Global Sustainable Tourism Council (GSTC, 2013) according to which the trend towards sustainable tourism is positively growing and more and more tourists realize the importance of sustainability in the destinations. Regarding the CSR, Coombos and Halladay (2012) claim that among advantages of CSR application is making organizations more attractive for investors and it attracts more customers.

Corporate social responsibility and sustainable tourism are based on three main pillars, so called triple bottom line. All three pillars of the triple bottom line are used within the concept of CSR by the organizations in different sectors; however, within the concept of sustainable tourism the three pillars are used only in the tourism.Tourism has always certain impact on given destination and it contributes to influences of global character. Due to the character of impact of the tourism it is difficult, sometimes even impossible, to determine into what extent is this impact acceptable

(Ministry of regional development; 2007). Jurigová, Lencsésová (2015) states that monitoring and evaluation of impacts of tourism on tourism destinations are necessary in order to ensure long - term sustainability of the destination. For the purposes of real description of reality there exist the indicators, which are perceived as standards and precisely given items according to which the organizations are supposed to report. This way of monitoring represents long – term activity which is based on studying chosen indicators of the system, indicators' actual evaluation regarding the relation to limit values and evaluation of long – term trends of chosen parameters.Advantage of evaluation through indicators is a simple interpretation of results. The indicator simplifies reality, it is measurable, it may be qualitative or quantitative.

Table 1: Comparison of corporate social responsibility concept and concept of sustainable tourism

	CSR	*Sustainable tourism*
Origin in the second half of 20th century	✓	✓
Several definitional approaches	✓	✓
Voluntary Action	✓	✓
Positive effect on environment	✓	✓
Creation of added value	✓	✓
Competitive advantage	✓	✓
Long – term orientation	✓	✓
Triple Bottom Line	✓	✓
Application	general (all industries)	tourism
Indicators	e.g. GRI Report	e.g. UNWTO

Source: own work based on studied literature

Regarding indicators, the final goal of destination management should be creation of well worked – out structure of indicators which takes into consideration internal linkages, dependences and hierarchical levels of tourism. There exist the areas of sustainable tourism which were set by UNWTO&UNEP (2005).Indicators defined by UNWTO (UNWTO, 1998) considered as suitable methodological base for creation of concrete indicators in concrete destinations. These indicators are processed and chosen by destination management in a way that it is possible to use them on different geographical levels and for different destination types as gradual building of strong base for decision making processes of all participants, and thus contribute to reaching of sustainable tourism (Šauer et. al, 2015). Besides indicators defined by UNWTO the European Commission (2016) issued the manual of indicators which are divided into four main topic: destination management, economic significance, social and cultural impacts and environmental impacts. ETIS, which stands for the European Tourism Indicator System, is created specifically for tourism destinations in order monitor their performance and help destinations to advance and accomplish the plans designed for sustainability improvement and long – term vision. The same applies to indicators related to CSR. In order to measure CSR performance it is necessary to do so in a standard and consistent way. GRI reports are in case of CSR and sustainability considered as a format of measurement (Lujie Chen, 2015). It is currently one of the most widely recognized instruments for CSR providing the guidelines for reporting and standards disclosures. Mentioned performance indicators are divided into three main categories which are economic, environmental and social. The social category is then divided to subcategories, which are Labour, Human Rights, Society and Product Responsibility. Other corporate social responsibility and sustainability standard is the AccountAbility Principles Standard (AA1000 APS). AA1000 APS serves as a framework for organizations in order to name, prioritise and act to the challenges of corporate social responsibility and sustainability (AccountAbility, 2015).

When comparing GRI indicators and UNWTO indicators there exist certain similarities. The essence of indicators is based on the same principles and many times they could be matched or assigned to each other. However, sustainable tourism indicators are specified concretely to tourism and stakeholders related to this industry and they are adjusted to the needs of the destination. Since both concept of corporate social responsibility and concept of sustainable tourism have fundamental division into the monitored areas, the table 2 illustrates possible assignment of sustainable tourism areas with the areas of corporate social responsibility.

Table 2: Areas of CSR and Sustainable Tourism

CSR		*SustainableTourism*
Areas	*Indicators (GRI)*	*Areas*
Economic Area	1. Economic performance 2. Market Presence 3. Indirect economic impacts	Economic viability – ensures the viability and competitiveness of destinations and entrepreneurs so that they are able to maintain their prosperity and long-term benefits.
Environmental Area	1. Materials 2. Energy 3. Water 4. Biodiversity 5. Emissions, Effluents, Waste 6. Compliance	Physical integrity – the maintenance and enhancement of the landscape quality, both urban and rural, and avoidance of physical and visual degradation of the environment. Biological diversity – supports the preservativ of natural areas, habitats and wildlife, minimizing their damage. Resource efficiency – minimize the use ofscarce and non-renewable resources in the development and functioning of facilities and tourism services. Environment alcleanliness – minimizes the air, land, water pollution and waste generation by tourism industry.
Product Responsibility	1. Customer Health&Safety 2. Product and Service labeling 3. Marketing Communications	
Labour Practices & Decentwork	1. Employment 2. Labour/Management Relations 3. Occupational Health & Safety 4. Training and Education 5. Diversity and Equal Opportunity	Quality of employment – strengthens the quantity and quality of local jobs created and supported by tourism, including levels of salaries, conditions of service and availability to all with outracial, sex discrimination or others.

HumanRights	1. Investment and procurement practices 2. Non - discrimination 3. Freedom of association and collective bargaining 4. Child Labour 5. Forces and compulsary labour	Visitors' satisfaction - providessafe, satisfying and fully – fledged experiences for visitors, available to all without sex, racial, disability discrimination or others.
		Community'swelfare - maintains and enhances the quality of life of local communities, including social structures and access to resources, facilities and life support systems, avoiding any form of social degradation or exploitation.
Society	1. Community 2. Corruption 3. Public policy 4. Compliance	Local prosperity – maximizes the benefity of tourism towards economic prosperity of the hosting destination, including the proportion of visitors' spendings which remain in place.
		Sociale quality – seeks broad and equitable distribution of economic and socia benefits from tourism through recipients in the community, including improvement of opportunities, incomes and services available to the poor.
		Local control - employment and empowerment of local communities in planning and decisionmaking about the management and future development of tourism in their area, after the consultation with other participants.
		Cultura lwealth - respects and enhances historical heritage, original cultures, traditions and characteristic specificities of the community.

Source: Own work based on Global Reporting Initiative (2011) and UNWTO&UNEP (2005)

Discussion

From knowledge acquired from studied literature it is possible to observe many similarities between the two concepts, primarily resulting from their development, basis and principles from which they are derived. Naturally, there arises the question why two concepts of such similarity would exist. This question, suitable for further discussion and more detailed research for the future, is answered by this research paper by the specific character of tourism. Diverse effects, impacts, different stakeholders and variedness of each destination caused that it must be treated specifically and individually. Therefore, the existence of the concept of sustainable tourism is needed as it serves concretely the sector of tourism, in contrast to corporate social responsibility which is suitable for all kinds of organizations acting in different sectors. Mentioned distinction of the concepts may be then observed also in monitoring, evaluation and reporting, which are specific for the concept of corporate social responsibility and strictly given with the chosen standard. Unlike corporate social responsibility concept, the concept of sustainable tourism determines specific indicators for specific destination based on the indicators of sustainability.

Conclusion

Nowadays, there are many ongoing discussions about the responsibility of the companies towards the society and about the impacts of tourism on geographical places and sociocultural environment. Such an influence may have a serious impact on economy, society, culture and environment of destination, and therefore, the entities of tourism must behave in a responsible way within all stated areas. That is why it may seem that tourism organizations are predestined to apply the concept of sustainable tourism. In order to compare two studied concepts, there was created the table (Table 1), which depicts that both concepts had the same development, they are based on the same principles, they have the same impacts, they are monitored similarly and thus, they are identical from this point of view. The indicators according to GRI and UNWTO indicators of sustainable tourism are used when measuring and reporting corporate social responsibility, sustainability and sustainable tourism. Certain sustainable tourism areas may be directly matched with GRI areas and indicators, which serve also for the measurement of CSR. In some cases it is possible to match one area of sustainable tourism with more GRI areas, however, they do not deviate from corporate social responsibility areas. Activities of both concepts are thus, based on the same principles, they include almost identical activities with one difference, which is that CSR activities are generalized for all kinds of entrepreneurship and organizations, while sustainable tourism activities are specified only for one industry, which is tourism. Therefore, part of CSR can be also tourism entrepreneurship and activities, which are conducted by businesses in tourism. However, because of significant impacts of tourism influencing destination it is important to have separate concept for sustainable tourism, which is focused only on tourism. Even though, sustainable tourism could be a subset of CSR concept, which is identical, however, focused on specific industry.

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TOPIC OF QUALITY IN WINE TOURISM

Abstract: *The work is focused on quality of wine tourism services; Authors are approaching quality through its factors that can show how the overall quality is influenced by particular quality factors. The paper identifies key quality factors in the case of wine tourism in South Moravia wine region (The Czech Republic) on the side of supply. Local wineries and winemakers provided their attitudes towards quality factors in wine tourism in the respective research taken place in spring 2015. The paper summarises common approaches to quality in rural tourism in general and points out limitations of such approaches. The outcomes from the research showed that most influential quality factors on the suppliers' side are: experience, quality of wine and relationship to the service provider. Beside these results applied Kruskal-Wallis test proved that there exists a relation between the size of the winery and perception of several limiting factors of quality.*

Key words: *wine tourism, factors of quality*

JEL Classification: *L83*

Introduction

Wine tourism is a type of rural tourism. Rural tourism is not very clearly defined; although the meaning could be easily evoked: rural tourism is a tourism that takes place in rural areas/countryside. Lane (1994) argued that it is difficult to find a unified definition that could be applied to all countryside areas in all countries world-wide. Wine tourism could be covered by a category of agritourism which is according to Zelenka and Pásková (2012) provided by farmers and agribusiness as an additional economic activity to their main business activities. This research is in this context focused on subsidiary tourism aimed business activities of wine producers, usually taking place in wine regions, wine cellars, wineries.

The quality of services in tourism generally is a frequently discussed topic - the scientific publications number to 137 papers/studies on this topic between 2005 and 2015. The topic quality is closely and undividable connected with satisfaction and its relation to and influence on customer/visitor loyalty has been subject to a number of researches. Tourist satisfaction has been measured and assessed by a variety of tools – namely overall satisfaction, performance, expectation, positive recommendation, etc. (Yoon and Uysal 2005). The most common used model considers satisfaction to be a difference between quality perceived and quality expected. Here some researchers (Chi and Qu 2008) point out loyalty to be a better predictor of actual behaviour compared to satisfaction. Level of satisfaction is one of the most dominant variables in explaining revisit intention in destination tourism. In today's highly competitive business environment delivering high quality service and creating superior customer value can result in achieve high customer satisfaction, thus affecting the firm's corporate image, and ultimately leading to consumer retention (Hu and al. 2009). According to Žabkar at al. (2010) perceived tourism supply quality is crucial for destination's competitive advantage. Quality of services that a visitor expects and meet in this broader point of view than stands in the beginning and is the alfa-omega of what should be considered by the service providers, destination managers and other interested people/groups at the first place. Due to intangible and heterogeneous character of services it is very difficult to find a generally approved way how to access and evaluate quality of such services. Service quality is defined as a difference (gap) between customer's satisfaction of received quality and their expectations and needs (Dotchin and Oakland, 1994). In this case we cannot rely on precise empirical measures unlike products or measurable physical entities. For measurement of services there have been designed numbers of tools with aim to unite attitudes towards quality measurement, however it is crucial to be consider of subjectivity in quality perception of every single customer (and provider). As per Půlpánová a Simová (2012) it is not simple to identify factors that determine customers' satisfaction. Even there exist many different methods and models of satisfaction they are not applicable in all cases.

Bruhn and Georgi (2006) define quality of services as „an amount" of value allocated by customer to a service based on perceived ratio of costs and benefits. Subjective evaluation of this ratio by the customer comes from a difference between expectation and perception of service quality that the customer receives. These differences are key stones of GAP model (Parasuraman and al. 1988). Simply put – bigger this difference is, lower the satisfaction of the service quality (Lewis and Mitchell, 1990; Parasuraman et al. 1988). Most of literature is aimed on this model and its usage in various fields including tourism.

Methods of quality measurement in tourism

In literature there exist two attitudes towards customer satisfaction – uni-dimensional (aims on satisfaction as a whole) and multi-dimensional that focuses on particular factors of quality that are critical for overall satisfaction. Generally, there exist many different methods for measuring the visitors' satisfaction with service quality as shown in Table 1.

Table 1: Common methods for measuring satisfaction with service quality

Method – name/type	*Author*
Micro a macro models	
National indexes of customer satisfaction	
IPA	Martilla a James, 1977
Technical-functional model of quality	Grönroos, 1984

SERVQUAL	Parasuraman et al. 1985
REQUAL	Crompton et al., 1991
SERVPERF	Cronin a Taylor, 1992

Source: authors

Parasuraman, Zeithaml and Berry (1988) provide three generic views on service quality analysis:

1) Service quality depends upon consumers expectations prior to experiencing the service with service delivery system performance (advertising, previous expectations, culture),

2) Service quality is focused on specific interactions between consumer service and quality level (CS-QL),

3) Service quality is defined by the gaps, that exist between service delivered and service quality. There are distinct 5 different gaps.

The most used and accepted method for service quality assessment based on gap model is with no doubts SERVQUAL. This method works with 22 statements that are further split into 5 dimensions: tangibles, reliability, responsiveness, assurance, empathy (Parasuraman et al, 1988).

This paper presents a partial outcomes of research focused on quality in wine tourism. More particularly it examines factors of quality from the side of supply: limiting factors of quality are identified in a context of size of the winery. Consequently the research would be undertaken among wine tourists (on the side of demand) with intention to conduct GAP analysis to reveal the discrepancy between quality perceptions on side of supply and demand.

METHODS AND DATA

Data collection

For purposes of the paper, primary research was undertaken using quantitative methods. Namely a questionnaire was distributed among wine companies in 2015 (560 companies). The reference group was created by 74 wine enterprises across the Czech Republic and respondents quota allocated according to size of the winery (litres of wine produced per annum) reflecting actual situation on the Czech wine market. In these terms the wineries are divided into:

- micro producers (annual production up to 10 000 l), /29 units
- small producers (annual production between 11 000 and 50 000 l), /29 units
- medium producers (annual production between 51 000 and 250 000 l), /9 units
- large producers (annual production more than 250 000 l). /5 units

The research questions were scale questions (10 point scale importance/preference) and focused on specific factors of service quality. The research took place from February to July 2015 by means of electronic questionnaire.

For data analysis the authors used Kruskal-Wallis test operated in Statistica software. The authors attempted to discover whether the size of the winery has any relation to perception of limiting factors of quality. Kruskal-Wallis test by ranks or one-way ANOVA on ranks is a non-parametric method that tests whether the samples come from the same distribution, it does not assume a normal distribution of the residuals. A significant Kruskal-Wallis test indicates that at least one sample stochastically dominates one other sample. The null hypothesis says that the medians of all groups are equal, and the alternative hypothesis says that at least one population median of one group is different from the population median of at least one other group. (Corder and Foreman, 2009).

The test is given by:

$$H = (N-1)\frac{\sum_{i=1}^{g} n_i(\bar{r}_{i\cdot} - \bar{r})^2}{\sum_{i=1}^{g}\sum_{j=1}^{n_i}(r_{ij} - \bar{r})^2},$$

where:

- n_i is the number of observations in group i
- r_{ij} is the rank (among all observations) of observation j from group i
- N is the total number of observations across all group

For dependence assessment of particular quality factors and size of the annual wine production Kruskal-Wallis test was used. This test was used due to non-normality of the data as an alternative to better known one-way factor analysis of variance that can be used only with a premise of data normality. The test verifies null hypothesis, that assessed factor has identical distribution for all categories of production size. Rejection of this hypothesis means that the differences are statistically significant, i.e. that the importance of the factor in question is dependent on the size of annual wine production. 5% and 10% significance level of a test was selected and the results are further shown in following column of the table

Factor	*Mean*	*Median*	*Std. Dev.*	*KW-test PRODUCTION OF WINE*
(21)(1) experience (fulfils x does not fulfil expectations)	8.47	9	1.69	YES
(20)(10) quality of wine	8.43	9	2.13	NO
(21)(2) relationship to the service provider	8.28	9	1.65	NO
(20)(11) neighbourhood of the wine tourism destination	7.98	8	1.91	YES+
(21)(4) offer of services (sufficient/insufficient)	7.92	8	1.67	NO
(20)(8) overall image of the destination	7.83	8	1.87	NO
(20)(4) uniqueness of the services provided	7.69	8	2.05	YES+
(20)(6) possibility and standard of accommodation	7.57	8	1.89	NO
(21)(3) price of the services (willingness to pay)	7.52	8	1.60	NO
(21)(5) brand (popularity)	7.48	8	2.00	NO
(20)(3) interior of the facility	7.48	8	1.63	NO
(20)(9) local infrastructure	7.28	8	2.24	NO
(20)(7) products/services offer width	6.92	7	2.23	NO

YES+ means, that the dependence was proved for 5% level, YES means, that the dependence was proved only for 10% level and NO means that the dependence was not proved at all.

Table 3 shows average values of quality factors significance for particular sizes of wine production per annum. By factors that show statistically significant differences between the groups the group that reached the highest average ranking is highlighted.

Table 3 Significance of quality factors for groups as per annual wine production

Factor	*Mean 0 -10*	*Mean 11 - 50*	*Mean 51 - 250*	*Mean OVER 250*
(21)(1) experience (fulfils x does not fulfil expectations)	7.78	8.74	8.80	9.75
(20)(10) quality of wine	8.36	8.64	8.50	6.67
(21)(2) relationship to the service provider	7.78	8.63	8.70	7.75
(20)(11) neighbourhood of the wine tourism destination	7.45	8.44	8.80	5.75
(21)(4) offer of services (sufficient/insufficient)	7.30	8.33	8.00	8.50
(20)(8) overall image of the destination	7.39	8.18	7.90	7.75
(20)(4) uniqueness of the services provided	7.13	8.68	6.40	7.25
(20)(6) possibility and standard of accommodation	7.26	7.96	6.80	8.50
(21)(3) price of the services (willingness to pay)	7.17	7.63	8.10	7.25
(21)(5) brand (popularity)	7.30	7.26	8.10	8.50
(20)(3) interior of the facility	7.09	7.96	7.00	7.50
(20)(9) local infrastructure	7.18	7.43	6.50	8.75
(20)(7) products/services offer width	6.43	7.61	6.40	6.25
(20)(1) possibility and standard of dinning	6.74	6.89	6.10	6.75
(20)(2) price level of offered services/products	6.13	6.93	6.80	6.50
(20)(5) quality of cycling routs	6.22	6.86	6.20	6.75

Source: Authors; in litres per annum

The results show that the *experience with the services* obtained is the most limiting quality factor in the view of providers. This opinion is further explained: more positive the experience is more likely the repetitive visit is. And there the new rich chapter of quality-satisfaction-loyalty is opened. A long list of author described such interconnections in tourism that could be also tracked in rural tourism (Baker and Cromton, 2000; Cronin, Brody and Hult, 2000; King and Cichy, 2006). The second most influential factor is as per the research results *quality of wine.* Recent experience and development of the past years strongly proved that sole wine quality is a must. There operates over 500 professionally based wineries and winemakers in The Czech Republic. Generally, most of them are able to produce wine underlying to standards of some kind of average or higher quality, moreover in many cases showing an outstanding quality of the product. As the consumers are getting more and more experienced and educated, higher expectations on the wine quality are put. In such view quality of wine is seen as a base, some kind of an undoubtable skill. The overall quality of wine in the region further helps in the process of creating a destination image. The third most limiting factor refers to relation between the provider and customer – this statement is supported by the fact, that many of the wineries see the meaning of wine tourism in strengthening their relationship with customers, raising turnover of on-door sales, etc.

DISCUSSION AND CONCLUSION

The research aimed on limiting quality factors of services in wine tourism. The research has shown what factors are seen by the suppliers' side as important and how this perception is dependent on size of the wine production of the respondents. The test proved existing dependence of these variables in case of three factors. As far as the largest wine producers (over 250 000 litres per annum) for example does not find a factor “neighbourhood of the wine tourism destination” as very important smaller producers find this factor much more limiting. The same situation comes out in case of a factor “experience” where almost all addressed respondents from the group of larger producers find as very important. The third factor that showed a significant dependence is “uniqueness of the service provided”. For arguments why is that so, further research would need to be conducted. The paper attempted to prepare for other research of quality factors – a next phase would examine the side of demand for wine tourism. The same factors will be evaluated using the same methods – the authors would like to construct a questionnaire distributed over wine tourists, especially those that do visit wine cellars and wineries in the Czech Republic. The results would be than confronted with results of supply side – analogically following Parasuraman et. al.(1985) who stated one particular gap in gap analysis of service quality is the one comparing expectations of customers and management perception of these expectations. The gap would reveal the room for improvements and should tell the service providers what factors of quality are these that need to be raised as seen by the visitors as limiting ones.

On the demand side of the topic wine tourism services another similar research has been conducted. This research took place in 2016 in the South Moravia region. From the perspective of tourists most limiting quality factors are: Easy orientation at the venue of an event, Friendly and helpful local people and Folklore and local traditions (Těhalová, 2016). Such a difference in perception of quality creates another important part of a gap that is further examined by the SERVQUAL analysis. Wider the gap between the both sides is likely is to create an unpleasant environment for a good overall quality perception score.

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REVIEW

EGGER, R., GULA, I., WALCHER, D. Open Tourism – Open Innovation, Crowdsourcing and Co-Creation Challenging the Tourism Industry. Berlin: Springer, 2016. 476 p., ISBN 978-3-642-54088-2.

Open Innovation, Crowdsourcing and Co-creation have recently gained considerable attention among academics, as well as in practice, and have become intensively researched and discussed topics. Their use has already been discussed in various field, and the body of literature on them is growing steadily. In light of the diversity of the projects and initiatives from all over the world, these phenomena would appear to have already found their way into various areas of industry and society.

The tourism industry is one of the biggest industries and its markets are largely saturated, with constantly falling profit margins on the one hand, and with rapidly changing customer needs and demands on the other. The need for change, renewal and differentiation is based on essential factor in companies` continuing existence.

The tourism and leisure industry is characterized by a high level of dynamic change. The entire sector is now facing even greater challenges resulting from the enormous complexities, global competition, rapidly changing structures, processes and products, altered values and standards among customers, social change, and manz other factor. This market dynamism is further accelerated by the great share of information and communication technologies used in the sector, a factor which is also responsible for establishing an entirely new balance of power between the customers and the providers.

Especially the development of the internet and its revolutionary impact on the product and process level of companies has sparked an increase in innovation literature concerning tourism. However, it seems even more surprising that to date, little or no attention has been given to the paradigm shift in innovation management from closed to open innovation forced by the internet, and above all by Social Media.

The book examines the concepts of Open Innovation, Crowdsourcing and Co-creation from a holistic point of viel and analyzes their suitability for the tourism industry. Methods, theories and models are discussed and examined regarding their particular applicability. The book addresses the needs of academics and practitioners in the tourism industry alike, as well as managers throughout the tourism industry, introducing them to the theoretical mechanism and principles of Open Innovation, Crowdsourcing and Co-Creation with case studies and best practice examples.