

## TOURISM DESTINATION MANAGEMENT ORGANISATIONS IN THE SOUTH TRANSDANUBIAN REGION

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### Abstract

The present article studies and introduces the characteristics and activities of the South Transdanubian tourism destination management (TDM) organisations through the results of an online questionnaire survey. The aim of this research is to reveal the tourism management activities of the South Transdanubian tourism region and to introduce its characteristics regarding either the basic TDM characteristics (number of members, settlements within the area of operation, operation form) or the characteristics of operative activities. Thus, based on a former research we studied and analysed the nine TDM organisations of the selected area in a national comparison as well. Though the South Transdanubian tourism region is not one of the most visited tourism regions of Hungary the results showed that the tourism management activity is quite intensive. The co-operation among the TDM organisations, actors of tourism supply, the service providers and the operators of attractions is promising, whilst the statewide problems and the local operational difficulties can also be observed here as well.

**Keywords:** *tourism destination management, tourism management, South Transdanubia*

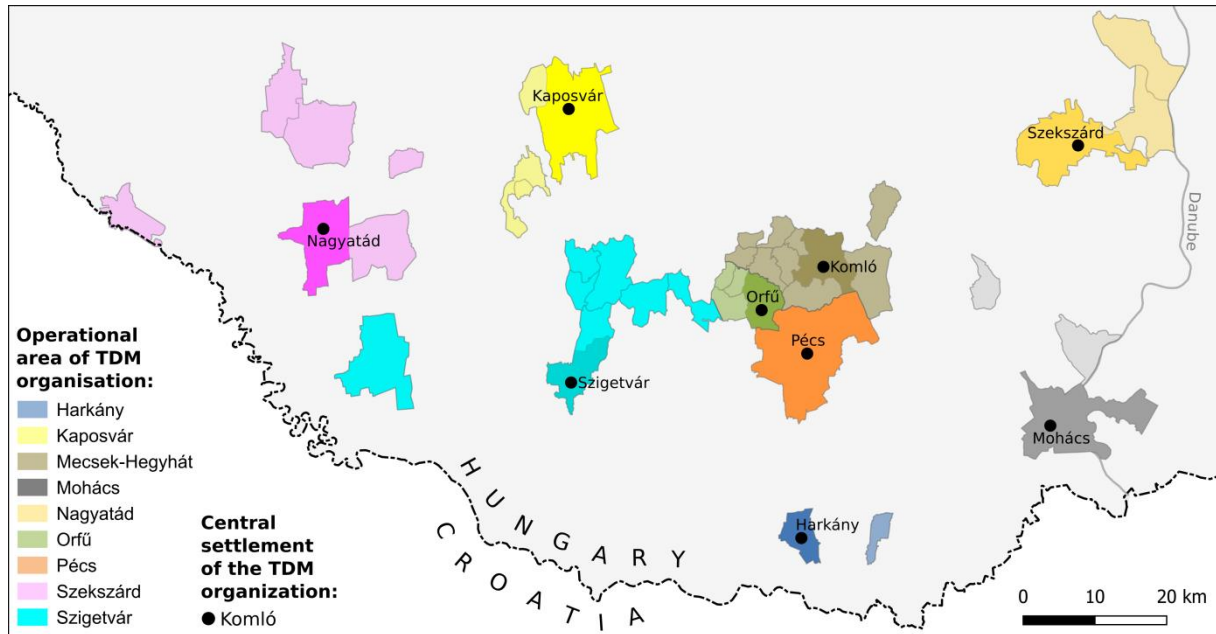
### Introduction

The need of introducing the system of tourism destination management first appeared in 2005 (NTS 2005) within the National Tourism Development Strategy (2007-2013), thus defining the reformation of the system of Hungarian tourism management. The Hungarian system is rooted in Austrian, German and South-Tyrolian examples, where the beginning of the conscious, strategic and long-term tourism management can be originated a few decades earlier (BIEGER 2005, PECHLANER et al. 2007, PECHLANER et al. 2009,

PECHLANER et al. 2012). LENGYEL (2008) had an active role in developing the Hungarian theory of tourism management. In Hungary the system has been developed in several stages adjusting to the certain calls for tenders (AUBERT et al. 2017) and the establishment of Hungarian Tourism Agency and the NTS 2030 brought new directions in its development. The aim of developing TDM organisations was to form the relationship (cooperation) between the public- and private sectors, thus increasing tourism competitiveness and creating the conditions for entering the tourism market (TÓZSÉR 2010). This is supported by the different innovations (organisational, service and marketing innovations) (LENGYEL 2008) with strategic thinking, long-term planning and a destination approach based on the concept of „collaboration through competition” (SZIVA 2012, SZIVA 2014) and even the common financing (PECHLANER 2003).

For all these, the destination-level concession and cooperation competences are needed within the partnership (AUBERT – SZABÓ 2007), which in addition helps to develop a unified brand and brand politics (HORKAY 2013 a, b). The latter one includes the up-to-date and reliable information of tourists (offline and online), product and service development – that is the development of new programmes and programme elements in the destination –, the improvement of tourist reception (e.g. establishment of rest areas, placing information boards etc.) (PÁLFI 2017). In 2017, 81 registered TDM organisations were operating in Hungary (NGM 2017, MTDMSz 2017) of which 9, thus 11.1 % of the organisation were operating in South-Transdanubia (Figure 1.). Besides the settlements with higher number of visitors (Pécs, Harkány), we can observe the cooperation based tourism management activity in the county seats (Kaposvár, Szekszárd), small towns (Szigetvár, Nagyatád, Mohács) and in rural areas (Orfű, Komló) as well (Figure 1). At the same time, it is also striking that there are TDM deficient areas even though the number of guests and the tourism supply account for a TDM based mentality (e.g.: the Villány-Siklós region). However, in these areas the system of thematic routes, wine routes, thus another form of tourism management, are successfully operating (SZABÓ 2013, GONDA et al 2016). The present study introduces the 9 TDM organisations of South-Transdanubia.

**Figure 1: Location of TDM organisations in the South Transdanubian tourism region**



Source: Own edition on the basis of NGM (2017), MTDM Sz (2017) and own research

## 1. Research methods

The present study is based on the research of PÁLFI (2017), who studied the TDM organisations on a state-wide level, applying a comprehensive online questionnaire survey. The research included the national and international theoretical characteristics of TDM approach, the (supply and demand based) tourism characteristics of destinations with TDM organisations as well as the organisational characteristics of TDMs and their activities. Based on the mentioned questionnaire we had contacted the 9 TDM organisations operating within the South-Transdanubian Tourism Region. All 9 organisations filled in the questionnaire, thus the void-to-fill ratio was 100%. Besides this we had the opportunity to conduct in-depth interviews with the representatives of 4 out of the 9 organisations. During these interviews we were able to clarify the disputed questions, to specify the answers thus to prepare a more comprehensive and accurate analysis of the situation. The questionnaire used in this research examined many aspects of TDM organisational structure and activity (e.g. structure of organisation, educational level of workers, human resource development, TDM practical activities) with more than 70 questions, while the interviews contained 13 questions. A part of these results are introduced in the present study. Most questions were closed, however if there was a chance to have unique organisational characteristics the respondents had the opportunity to select the “Other” option and to discuss their answer.

## 2. Results

### 2.1. General characteristics of TDM organisations in South Transdanubia

Out of the studied TDM organisations, the TDM based organisational activity was first (2009) introduced in the case of the organisations of Pécs and Kaposvár, though Harkány, Szigetvár and Nagyatád also applied for tenders in the same year. The participation in tenders reached its peak in 2011 and 2012 when all the studied organisations applied and won subsidies to finance their activities. The TDM organisations attached hopes to the future as with two exceptions all of them applied in the 2016 tender period, though it was withdrawn after the reformation of the management system (AUBERT et al. 2017) (Table 1).

The number of members in the TDM organisation is 54.2 on the average, which is under the country's average (79.9). Harkány and Pécs have the most members, while Komló has the fewest. There was an intensive increase in the number of members at least in the case of 77.8% of the organisations since their establishment. This means that at least five new members have joined the organisational works. Considering the ratio of members, we can conclude that most of them are accommodation facilities (20-40%) and catering units (5-30%). Attractions also have a significant ratio (5-30%) within the organisations. The ratio of local civilian organisations is about 5-15%, while the ratio of private individuals is 5-10%. Only one organisation, the organisation of Harkány has a tourist agency among its members. The role of municipalities is different in the TDMs, according to 44.4% of the respondents the relationship with the municipality is smooth, in the case of 33.3% it is concessional while 22.3% reported it as dominant. According to the respondents the three most important partners are the municipality, the operators of attractions and the accommodations. The TDM organisation do not only have an active role in establishing their internal relationships and membership cooperation, but their external cooperation is also important.

The most important partner of the TDM organisation of South Transdanubia is the Hungarian TDM Association operating as an organisation for the representation of interests. Besides this it has a significant role in sharing knowledge and to introduce the Hungarian and foreign good practices. 66.6% of the organisations have an effective and 22.2% of them have a formal relationship with the national parks. With the county municipality and the Hungarian Tourism Agency they only have a formal relationship. In the case of national professional associations (like the Hungarian Hotel and Restaurant Association) 22.2% have actual, 22.22% informal and 33.3% have formal relationship. The relation with universities, educational and research institutions is rather formal (44.4%), however 33.3% have an actual cooperation with them.

It is worth to analyse the operational area of TDM organisations, thus the number of settlements involved in TDM activities. The national average is 4.7 settlements and the average of the South Transdanubian tourism region is almost the same (4.5). Komló co-ordinates the most settlements during the management activity, but we can talk about a wider destination in the case of Szigetvár, Nagyatád, Kaposvár and Orfű as well. Pécs, however, stands alone, which is not surprising considering that it is typical of towns and spa towns with higher number of guests in Hungary. Here the number of members and tourists meets the criteria of tenders (guest nights). Besides that, the internal operative activity is more intense regarding the management as they have to coordinate the same number of, or even more service providers within a concentrated area, who have got the same profile in many cases. In the case of destinations with more settlements, the relatively low number of tourists or the widening of product profile, thus the diversification of supply, are accounted for the cooperation.

76.5% of the organisations operate as an association in Hungary, while this ratio is 88.9% in South Transdanubia as only one, the organisation of Pécs is operating as a non-profit Ltd. It is a preferred organisational form in the case of settlements and destinations with a higher number of tourists and where the municipality (leadership of towns) is active in the maintenance and operation of attractions. In this case the persons in charge can be clearly defined. Though this operational form is non-profit based, the members have a business share in it, therefore have a say in the issues of tourism as well.

**Table 1: General characteristics of TDM organisations in South Transdanubia**

TDM centre	Year of establishment	Number of members	Number of municipality members	Operational form	Participation in tenders
Pécs	2009	96	1	nonprofit Ltd.	2009, 2011, 2016
Orfű	2010	56	4	association	2012, 2016
Harkány	2010	70	2	association	2009, 2012, 2016
Szigetvár	2011	42	8	association	2009, 2016
Komló	2012	28	10	association	2011
Nagyatád	2014	40	6	association	2009, 2012, 2016
Mohács	2011	52	3	association	2012
Szekszárd	2012	55	3	association	2012, 2016
Kaposvár	2009	49	4	association	2012, 2016

*Source: own edition*

According to the answers there were three reasons for the establishment of TDM organisations, thus to form cooperation within the region and its improvement among the service providers and attractions, to increase the interest for the destination and the opportunity of an effective (strength in unity) appearance in the market. These correspond with the national objectives. The budget of the organisations is below 20 million HUF except Pécs (21-30 million HUF) and Harkány (41-50 million HUF), from which they have to finance their activities and maintenance (wages and other costs). But, as a result of the constraints of tenders, only 10-20% of this amount can be spent on marketing activities, though its importance, besides the application of successful practices, is inevitable according to the organisations. According to the organisations (88.8%), in this form the amount is not sufficient for effective work. Though tenders were important for the budget of all organisations, they were ceased from 2016 and the organisations are in their 5-year maintenance period. Also contributing to this is a percentage of tourism tax revenues (IFA) which is increased by state contributions, but is dependant on the preference of a given local council. Besides these, the organisations finance their operation from other municipality contributions, membership fees and income from their own activities.



The 21st century is the era of special qualifications. It is not only a question of prestige to win a given qualification but it can define the clientele as well. In South Transdanubia 3 TDM organisations have such special qualifications. Orfű, Pécs and Kaposvár have won EDEN – Excellent European Destination title, in 2011 Orfű and Pécs won „Old values – New functions” title, while Kaposvár and the Zselic area won EDEN and obstacle-free destination titles.

## 2.2. Characteristics of human resources of South Transdanubian TDM organisations

### a. Characteristics of human resources

There are two main areas of TDM organisation activities. One is the so called „Back office”, where the operational activities of the organisations are done. On average there are 1.7 employees in this field within the South-Transdanubian Tourism Region, however most of the organisations have 2 permanent employees, while the seasonal employment is not typical. The other area is the „Front office”, which is the main site of tourism information service, but also has an important role in the collection of information, which is important for supply development. Here, there are an average of 2.1 permanent employees and 0.7 seasonal employees. The median age of employees is 31-40 years. There were only 1-2 personal changes in 55.6% of the organisations since their establishment, while the personnel are stable or constantly changing in the case of 22.2% each. The latter occur in Pécs and Harkány, having the highest number of guests. The reasons behind could be the influence of municipality and the complexity of tasks. These numbers are under the national and international averages as well (PÁLFI 2017), which of course affects their activity regarding both the range of activities and the effective work. 66.7% of TDM managers have a university or college degree with specialisation, while 66.7% of the other employees have a university or college degree but without specialisation. In 77.8% of the cases the leaders of the front office also have a university or college degree with specialisation, while the other employees here do not have specialisation or they have a certificate of baccalaureate (22.2%). The managers of all TDM organisations in South-Transdanubia have at least one language exam, while in the back office 66.7% of the employees own one language exam. Only 55.6% of employees working in the front office have a language exam, though they are in direct contact with the tourists. These numbers are under the national average.

### 2.3. Activities of TDM organisations of South Transdanubia

The questionnaire studied the activities of TDM organisations according to the following classification: general activities of TDM organisations, tourism product development, human resource development and training, monitoring and marketing activities. The present study does not include the latter one because of its complexity.

#### b. General activities

The activities of the organisations are very diverse. The questionnaire included 29 possible activities out of which the organisations selected 15.9 activities on average. The most popular activities are the tourism information related ones, such as the printing and distribution of printed tourist information materials, development and operation of webpages and the use of social media sites. To build a cooperation among the actors of tourism in the destinations is a basic activity, thus all the TDM organisations have selected this option. In addition, most of the organisations selected the following activities: placing of informational boards, organizing programmes for tourists, development of thematic routes (e.g. sightseeing) and the preparation of annual event calendar. 22.2-22.2% of the TDM organisations operate accommodation search sites and booking sites and the same ratio introduced benefit system, card system. Though the popularity of tourism fairs has fallen in Hungary, 55.6% of the TDM organisations in South Transdanubia were present in such events. We also wanted to know how important the TDM organisations consider the studied activities on a 1 to 5 scale. The marketing (4.8 points) and online marketing (4.6 points) turned out to be the most important followed by branding, image building (4.3 points), product development (4.2 points) and the coordination of membership (4.2 points). It turned out during the interviews that the TDM organisations do not have enough capacity to develop human resources (3.8 points) and to the monitoring activities (3.5 points).

#### c. Tourism product development

66.7% of TDM organisations deal actively with tourism product development. Within its frames 77.7% of destinations got a unified image, 44.4% changed their profile and repositioned themselves (Orfű, Mohács, Szigetvár, Nagyatád) and 11.1% (Pécs) see the future in it. In the case of product development, 77.7% of destinations implemented service development and 66.7% developed attractions. In 55.6% of destinations new tourism product has been introduced. Product development includes the development of programme packages or exact programmes which were performed in 66.7 and 33.3% of organisations. We can find examples to the development of mobile application and tourism benefit system in 22.2% of TDM organisations. 55.5% of them introduced new events and rounds of events. Providing comfort is also part of tourism and product development, which means advantages both to the tourists and the local people. 55.6% of TDMs have improved the image of settlements, 33.3-33.3% placed out bicycle holders, resting sites and adult playgrounds, while 22.2-22.2% applied QR codes and free WIFI for guests to make communication easier. In 77.7% of destinations informational boards were placed out.

#### **d. Human resource development and training**

Since their establishment an average of 4.2 persons attended any training from the employees of TDM organisations. Most of them – 12 persons – were from the TDM organisation of Pécs. The most popular are the marketing trainings (77.8%), workshops (55.6%) and the info-communicational trainings (44.4%). The participation rate in language trainings is very low, 22.2% but there are special trainings (22.2%) to help the attitude towards the disabled. The organisations rated the importance of continuous trainings with 4.6 points. The most useful are the annual or two-year trainings containing theoretical and practical elements (4.3 points), while the half-day, one day professional trainings are not so popular (3.6 points). TDM managers attended mainly the specialised trainings, while other employees attended the other courses. And only the employee from one TDM organisation took part in a vocational training.

In Hungary 88.9% of TDM managers had the opportunity to participate in study tours, while the other employees and the members of the organisations had this opportunity in the case of 77.8 % TDMs. In contrary, only 44.4% of the TDM managers and 33.3% of other employees and members have participated in foreign study tours, though the respondent organisations consider them 100% useful.

#### **e. Monitoring activity**

All the organisations consider the regular monitoring activities important, but most of them (77.8%) confessed they still have to improve in this area. According to the organisations the lack of time and human resources are the reasons why the necessary surveys/assessments are not completed or not regularly completed. Only 22.2% of the organisations do this kind of activity annually, the other organisations perform them more rarely. Clientele survey and guest satisfaction survey were conducted in all destinations. 55.6% of the organisations considered it important to survey the service providers, while 44.4% surveyed local people. The TDM organisations (22.2%) held a few forums as well. 77.8% take part in the monitoring activity. 44.4% has carried out their monitoring activity with the help of assigned firm or research institution, while 11.1% involved universities/colleges in South Transdanubia.



## Summary

An active TDM organisational activity can be observed in South Transdanubia. The activity of the 9 studied TDM organisations adjusts to the national and international trends. All the touristically active areas of the South Transdanubian tourism region have joined the organisational system of TDM, but of course the rate of activity is different in each organisation. The number of members is under the national average, while their activity (except one) takes place within the frames of associations. The internal structure of membership and the external relationships of TDM organisations are similar to the national survey. Their most striking achievement of TDM organisations is product development, which includes the renewal of past tourism products and the introduction of new ones and even repositioning. An example of the latter one is Orfű, where a strong repositioning can be observed in the past few years. Pécs and Kaposvár are also active and doing effective works regarding tourism destination management mainly by the renewal of classical tourism products (destination with EDEN award). In the case of Harkány, not only the destination management, but their main product, health tourism also requires a focused management activity. When talking about Komló, Szigetvár and Nagyatád, the regional extent of TDM cooperation is remarkable, thus the number of municipalities involved in the operation is above average. However, this refers to a diverse but underperforming tourism supply, which actually accounts for the cooperation of these settlements and their entering to the tourism market. Similarly to Pécs, in Szekszárd the role of town municipality in the planning and management of tourism is strong.

Just like in the case of the national survey, the human resource development and the monitoring activities are pushed into the background in the case of the South Transdanubian organisations as well, because they have not got capacity for these activities.

The TDM organisational activities are performed by a smaller number of members. This number is under the national and international averages, which of course affects their activity regarding both the range of activities and their effectiveness. The educational level of the employees tends to the national trend, though their language skills and especially of those who work in the front office is under the national average. Considering the trainings, we can conclude that there are nationally popular forms and types of trainings among the TDM organisations.

At present, most of the organisations are running their maintenance period following their active tender period. Their future is doubtful as the tourism management is undergoing a reform period from 2016. It is certain that the TDM approach has appeared within the certain destinations. Most of the TDM organisations have an especially good relationship with the municipalities, which is promising as it can be a good basis for maintaining later cooperation based on another funding.

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