

## TOURISM IN THE CONDITION OF SMALL FAMILY FIRMS OF A SELECTED REGION IN SLOVAKIA

### CESTOVNÝ RUCH V PODMIENKACH MALÝCH RODINNÝCH PODNIKOV VYBRANÉHO REGIÓNU NA SLOVENSKU

PROF. ING. BOHUSLAVA MIHAL OVÁ, PHD.<sup>1</sup>

DOC. PHDR. MÁRIA ANTOŠOVÁ, PHD.<sup>2</sup>

PROF. ING. ADRIANA CSIKÓSOVÁ, CSc.<sup>2</sup>

<sup>1</sup>Katedra obchodného podnikania | <sup>1</sup>Department of Business Entrepreneurship  
Podnikovohospodárska fakulta v Ko-iciach | Faculty of Business Economy with seat in Ko-ice,  
Ekonomická univerzita v Bratislave | University of Economics in Bratislava  
✉ Tajovského 2, 040 01 Ko-ice, Slovak Republic  
E-mail: mihalcova@euke.sk

<sup>2</sup>Ústav podnikania a manažmentu | <sup>2</sup>Institute of Management and Entrepreneurship  
Fak. baníctva, ekológie, riadenia a geotechnológií | Fac. of Mining, Ecology, Process Control and Geotechn.  
Technická univerzita v Ko-iciach | Technical University Ko-ice  
✉ Park Komenského19, 042 01 Ko-ice, Slovak Republic  
E-mail: maria.antosova@tuke.sk, adrianacsikosova@tuke.sk

#### Annotation

Tourist traffic belongs to the significant sectors of national economy. Of no less importance are its contributions to the development of macro-economic indicators and cooperation of the individual entrepreneurs from various sectors. Prosperity and profitability of companies involved in tourist traffic is positively reflected in the growth of the national economy, in terms of increasing employment, creating new jobs in the industry and the related sectors, providing complementary services forming inseparable part of tourist traffic. Changes in the environment, quality of accommodation and all-round utilization connected with catering, relax in wellness, walking in the nature, which in the most natural way generate preconditions of compensating for the occupational complaints of wage earners. The contribution is aimed to assess the level of services in tourist traffic provided by small family enterprises as partners for positive economic growth and sustainable development of the country. It analyses the functioning of those small family firms in Dolný Liptov, in one of the most attractive of Slovakia. The survey was conducted on a sample of five selected family enterprises, with assessment based on the method of queuing, measuring the distance from the zenith, the š Etalón-Zenit, and the method of Füller's triangle, and the method of Servqual to assess the quality of services.

#### Key words

tourism, region, family company, services, survey, methods, development of the region

#### Anotácia

Cestovný ruch patrí k významným odvetviam národného hospodárstva. Zaujímavé sú jeho prínosy v rozvoji makroekonomických ukazovateľov, aj v spolupráci jednotlivých podnikateľských subjektov z rôznych odvetví. Prosperita a ziskovosť podnikov cestovného ruchu sa pozitívne premieta do hospodárskeho rastu krajiny, zvyšovania zamestnanosti, vytvárania nových pracovných miest v sektore i súvisiacich nadväzných odvetviach, ako aj poskytovania doplnkových služieb, ktoré k cestovnému ruchu neoddeliteľne patria. Zmena prostredia, kvalitné ubytovanie a v-estranné vyžitie spojené so starostlivosťou o stravu, relax vo wellness, i prechádzkou v prírode, najprirodzenejšie

vytvárajú predpoklady odstránenia neduhov befného pracovného fivota. Cie om príspevku je zhodnoti úrove poskytovania služieb v cestovnom ruchu malými rodinnými podnikmi vybraného regiónu na Slovensku, ako partnera pre pozitívny hospodársky rast a udržateľný rozvoj krajiny. Príspevok analyzuje fungovanie malých rodinných podnikov v jednom z najatraktívnejších regiónov Slovenska, Dolný Liptov. Prieskum bol realizovaný na vzorke piatich vybraných rodinných podnikov, vyhodnotenie prebiehalo použitím metódy poradia, metódy vzdialenosti od zenitu š Etalón-Zenit a metódy Fülleroého trojuholníka, hodnotenie kvality služieb bolo vykonané metódou Servqual.

### **K ú ové slová**

cestovný ruch, región, rodinný podnik, služby, prieskum, metódy, rozvoj regiónu

**JEL classification:** X12

## **Introduction**

Tourist traffic is a socio-psychological and economical phenomenon not only from the aspect of both the individual and the entire society as well. It brings about constant mobility of the human population for learning, leisure, relaxation, recreation and fulfilling dreams of satisfying and pleasant holidays. Experts understand it as an economical phenomenon related to the consumption of tangible and intangible assets, paid from the means acquired in their place of residence. Tourism in modern understanding is probably a British invention. Berghoff and Korte (2002) emphasize that even though a substantial growth of tourism was experienced in the 19th and 20th centuries, cultural preconditions of this development were established already during the previous centuries. The birth of modern tourism is a result of a long-lasting process having deep roots in the cultural, intellectual, economical, social history of Britain. The process of the origin and development of modern tourism was thoroughly analyzed in Berghoff and coll. (2002). Participants to tourist traffic are increasingly demanding, making meeting their needs not so simple. The extent and the quality of offer in tourist traffic which has managed to fulfil their expectations in the past are no longer valid today. Growth of competition is generating pressure on destinations of the tourist traffic for innovation of products and services and looking for new marketing tools (Tauer, Repík 2013).

Currently, tourist traffic is investigated of several disciplines of science, e.g. geography, economics, pedagogics, ethnology, sociology, psychology etc. Hesková (2011) is assessing tourist traffic on the basis of travellers' motivation, or visitors, i.e. by the purpose for which these individuals spend their time of their homes and reside at a different place for some time. Services provided in tourism are of multisectorial nature, involving branches as country-based tourism, for information, transportation, animation, springs, congresses, services of food and accommodation. In the era of modern marketing the services mentioned are mediated to customers-consumers by travel agencies and centers of information. The demand for services of tourist traffic is affected by a number of side-factors such as economic, social, demographic influences, atmosphere of the milieu, cultural traditions of the country etc. Their development is subsequently reflected on the dynamics of the demand for services. As by Oriška (2010), tourist traffic is also assessed by qualitative criteria, when the quality of services in tourist traffic is understood as the sum of their useful characteristics, which impart the capability of satisfying the need and meet the expectation of visitors in tourist traffic. Customer satisfy their needs by their ideas, which vary as do individuals. The view on quality on the part of the customer is different as from the side of offer. While customer demand assess the individual marks of the services, the side of offer is about the characteristics expressing processes, which can be evaluated by way of preliminary, interim and follow-up checks and controls.

## 1. Methodology

The object of the contribution is to analyze and evaluate the level of services in tourist traffic provided by small family firms in a selected region of Slovakia. From the aspect of tourism, Liptov is considered as one of the most attractive regions of Central Slovakia.

Geographically, it consists of three subregions, concretely the:

1. Lower Liptov – now the county of Ružomberok,
2. Central – western part of the Liptovský Mikuláš– county, up to villages of Liptovský Ján, Uhorská Ves and Podtureň,
3. Upper Liptov – Eastern part of the Liptovský Mikuláš–county, villages of Liptovská Teplička, Tvrdošinská and part of the Tvrdošinské Pleso cadaster.

The area of the Liptov region is over cca 2000 km<sup>2</sup>. Geo-politically, it is made up of two counties: Liptovský Mikuláš– and Ružomberok. The region is located in the Liptov basin with three national parks protruding into it: Tatra National Park (TANAP), National Park of the Low Tatras (NAPANT) and the National Park of Veľká Fatra. The 70s of the 20th century saw the building of an artificial dam the Liptovská Mara covering an area of 21 km<sup>2</sup> in the middle of the region. It is suitable for summer recreation and fishing. Apart from sports, the region of Liptov offers potential for winter sports in its 14 ski centers.

The survey was made on a sample of five small family firms involved in tourist traffic for the region, purposefully selected on the basis of the categorization of the objects – boarding-houses, number of beds, provision of food and accommodation services and availability of congress halls. The selection was made in the region of Lower Liptov, selected family firms, not mentioned by their names, just marked as Family firm A, B, C, D, E. The analyses were conducted made in 2013 on the basis of a structured interview combined with a questionnaire.

In the family firms A, B, C and D the operations and marketing managements is made by the owners, whereas in firm E the managerial and marketing functions are remaining in the hands of managers, working as employees of the firm. The development of capacity utilization by the tourists for the years of 2008 up to 2013 were compared to the data of 2008, the year rated by entrepreneurs engaged in tourist traffic as the best one since the year of 1989. Owners of these firms have uniamously declared that following the entry of Slovakia into the Eurozone their turnover have decreased, losing substantial amount of tourists from Poland, Czech republic and Hungary. The exchange rate of Euro to the currencies of the countries mentioned weakened the power of purchase of the visitors from those countries, which was again negatively reflected in the visits to family firms involved in tourism. Capacity utilization at firms of tourism were also affected by external factors, such as the world economic crisis or the higher rate of unemployment. One of the family firms subjected to the comparison, also saw decrease in the number of visitors as a result of winding up the ski centre in its vicinity.

Judging by the results of questionnaire-based survey, family firms analyzed were visited mostly by tourists from Slovakia, the Czech republic, Poland, Hungary and other countries (Austria, Ukraine, Croatia, Georgia, The Netherlands, France). The age-group of 18-25 year old tourists were looking for firms offering lower prices of accommodation, Age-group of 26 – 35 year of tourists preferred the variety of the services provided, a client segment with most labour intensive jobs, seeking regeneration. The age-group of 36-45 year old visitors was most frequently presented as those of families spending their holidays with their children. Age group over 46 years and over can be characterized as a group of people looking for peaceful and quiet localities to enjoy the pleasure of holiday-making. Generally, visitors are most satisfied with the equipment of the rooms. Firms of tourist traffic were selected in via websites, with photo and other visual aids showing the interiors of the rooms, restaurants and their vicinity. In all the compared family firms, the respondents positively evaluated the clean rooms and the surroundings. The half-board offered is made up of two main meals visitors can choose a day before. In the family firm A, B, C

and E there are several ready meals on the menu, as they also provide food for the wider public. Evaluation of the staff by the respondents was also favourable. Selection of the locality and the season of the year depends on the attractiveness of the place and the supplementary services related to the vicinity of the family firm. During winter season, visitors prefer the closeness of ski centres whereas in summer of great advantage is the availability of swimming pools and aquaparks.

One of the aims of the performed analysis was to define the criteria by which the customers are choosing family firms. They are as follows:

- Price of the service,
- Distance from the ski centre,
- Distance from the swimming pool and the aquapark,
- Number of services provided,
- Discounts provided for a week stay.

Based on the criteria as above, the assessment of the sample involved application of the method of ordering, method of distancing from the zenith šEtalón-Zenit and the method of Füller's triangle. Evaluating the quality of the services was performed by applying the Servqual method. Table 1 is illustrating the summarized values of the required parameters of choices.

**Tab. 1: Values of required parameters of choices**

Pension/zión	F1(Max)	F2(Max)	F3(Max)	F4(Min)	F5(Min)
	Price night/person [p]	Distance to the ski centre [km]	Distance to the bath [km]	Number of services	Discounts offered for weekly stays [%]
Family firm A	22	11,0	3	5	0
Family firm B	20	4,0	16	7	0
Family firm C	11	0,2	26	4	5
Family firm D	10	0,2	26	3	10
Family firm E	26	13,0	0,3	7	0

*Source: own research*

## 2. Results

Resurch results are presented in the follow-up text and Table 2 ó Table 7 separately applying the methods mentioned earlier.

### Method of Ordering

When choosing the holiday resorts, considerations involved similarities in the services provided (size and extent of services, price poer night and person) offered in the main season, offered for two persons for a week stay. The basic criteria for choosing the resort were compiled by the factors as follows:

- F1 ó Price per 1 night/person ó Min.
- F2 ó Distance form the ski centre ó Min.
- F3 ó Distance from the swimming pool ó Min.
- F4 ó Number of services provided ó Max.
- F5 ó Discounts offered for weeklong stays ó Max.

The order of the individual family firms is in Table 2. The results concluded upon have revealed that the established parameters were met mostly by Family firm D.

**Tab. 2: Evaluation of the order of firms by the method of order**

Penzi3n	F1(Max)	F2(Max)	F3(Max)	F4(Min)	F5(Min)	In sum	Order
Family firm A	4	4	2	3	5	18	5.
Family firm B	3	3	3	1	5	15	3.
Family firm C	2	1	5	4	2	14	2.
Family firm D	1	1	5	5	1	13	1.
Family firm E	5	5	1	1	5	17	4.

Resource: own research

**Method of the Distance from the ZenithšEtal3n-Zenit3**

šEtal3n3 represents an ideal variant of solution. ThešZenith3 has been chosen ideally, for which it holds: (12,2,6,2,10). For the parameters chosen by us, the values were as follows:

- Ideal price for accommodation is up to 12 p.
- Distance from the ski centre up to 2 km.
- Distance from the swimming pool, aquapark up to 6 km.
- Number of services provided by the firm 3 a minimum of 2 services.
- Discounts at week-long stays offered at least as 10 %.

Presented in Table 3 are the converted values and the order of the family firms separately. The results have shown that by a suitable selection made by the method of distances has it Zenith at Family firm D.

**Tab. 3: Evaluation of the distance from the Zenith of šEtal3n-Zenit3**

Penzi3n	F1(Max)	F2(Max)	F3(Max)	F4(Min)	F5(Min)	Spolu	ç Ŭ	Poradie
Family firm A	100,00	81,00	9,00	9,00	100,00	299,00	17,29	3.
Family firm B	64,00	4,00	100,00	25,00	100,00	293,00	17,12	4.
Family firm C	1,00	3,24	400,00	4,00	25,00	433,24	20,81	2.
Family firm D	4,00	3,24	400,00	1,00	0,00	408,24	20,20	1.
Family firm E	196,00	121,00	32,49	25,00	100,00	474,49	21,78	5.
e/3Zenit3	12	2	6	2	10			

Source: own research

**Method of the F3ller's triangle**

At this pair-based method it holds that if criterion  $f_i$  is considered more important than  $f_j$ , it is assigned the value of 1, in case of a controversy, the value of 0. The sum of all preferences for the criterion  $f_1$  is marked as  $n_1$ , criterion  $f_2$  marked as  $n_2$ , criterion  $f_j$  for the number of preferences marked as  $n$ . F3ller's triangle is based on the order of preference in the importance of the individual factors. Table 4 presents values in the F3ller's triangle, with  $f_1$  price as the most important parameter.

**Tab. 4: The most important parameter when assessing the choice of a family firm for the stay**

$f_1$	$f_1$	$f_1$	$f_1$
$f_2$	$f_3$	$f_4$	$f_5$
	$f_2$	$f_2$	$f_2$
	$f_3$	$f_4$	$f_5$
		$f_3$	$f_3$
		$f_4$	$f_5$
			$f_4$
			$f_5$

Prices	Prices	Prices	Prices
Skiing	Swimming pool	Services	Discount
	Skiing	Skiing	Skiing
	Swimming pool	Services	Discount
		Swimming pool	Swimming pool
		Services	Discount
			Services
			Discount

$e_i$	$f_1/prices$	$f_2/skiing$	$f_3/swimming$ pool	$f_4/services$	$f_5/discounts$	$n_i$	$v_i$
$f_1/prices$	$\hat{\delta}$	1	1	1	1	4	0,4
$f_2/skiing$	1	$\hat{\delta}$	0	0	1	1	0,1
$f_3/swimming$ pool	0	0	$\hat{\delta}$	0	0	0	0
$f_4/services$	1	0	0	$\hat{\delta}$	1	2	0,2
$f_5/discounts$	0	1	1	1	$\hat{\delta}$	3	0,3
					In sum	10	1

Source: own research

When projected into the provided services provided by family firms of A ó E the data are in Table 5.

**Tab. 5: Choice of services by their importance as evaluated applying the method of Füller's triangle**

Penzi3n	F1(Max)	F2(Max)	F3(Max)	F4(Min)	F5(Min)	Poradie
Family firm A	22	11	3	5	0	4.
Family firm B	20	4	16	7	0	3.
Family firm C	11	0,2	26	4	5	2.
Family firm D	10	0,2	26	3	10	1.
Family firm E	26	13	0,3	7	0	5.

Source: own research

The method of Füller's triangle helped identify the most important criterion for selecting a family firm, the one asking the lowest price for the accommodation services. This selection criteria favoured the Family firm D.

### Method of Servqual

As a rule, a customer is not evaluating the services provided alone, but by way of comparing them with the competition. Our assessment of the quality of the services provided made use of the Servqual method.

**Tab. 6: Evaluation of the quality of services applying the Servqual method**

Characteristics of the services offered	Imporance (weight ó valuation) services	Family firm A	Family firm B	Family firm C	Family firm D	Family firm E
Staff reliability	5	5	4	4	5	5
Quality of accommodation	8	5	4	5	4	5
Quality of food	7	4	3	3	4	5
Supplementary services	6	3	3	2	2	5
Equipment of the exteriors	3	4	5	5	3	4
Perceived value of the service		123	106	108	106	142

Source: own research

Results shown in Table 6 have proved that the services provided in by Family firm E and by Family firm A are above average in view of the perceived value, at which the client is obtaining the services for the agreed prices. At the remaining family firms the offer of services was at an average. Family firms A and E can ask higher prices for their services compared to the competition, as the consumers perceive their services offering higher values for their money.



**Tab. 7: Examble of appraising the relation between price and the quality of the services of family firms**

Price for accommodation for person/night ó main season	Assessing quality applying the Servqual method	Price by the price-list (Euro)
Family firm A	123	17
Family firm B	106	15
Family firm C	108	11
Family firm D	106	12
Family firm E	142	26

Source: Own research

Table 7 has expressed the relation of evaluating the quality applying the Servqual method to the real price for accommodation in family firms of tourist traffic per person and night during the main season. If the value of the service is expressed by a price, which is lower than the value perceived by the customer, family firms provide services, that are probably helpful in acquiring higher share in the market, as the customers are feeling of having received higher value for their money.

### 3. Discussion and recommendations

Based on the information obtained from the analyses and comparison of family firms providing services of tourist traffic, our recommendation is to increase the quality of their services and revise their marketing for family firms with emphasis on bonus prices, packages of services, seasonal discounts, variability of services and attractions in their vicinity. The customer is subjective in establishing the criteria of choice, usually based on the priorities and viewing the entire offer of services provided by companies of tourist traffic. Successful addressing a selected target group of potential customers results in more visitors, which does not only help in the development of such firms but also brings prosperity to other entrepreneurs and the local community as well. Local services such as cosmetics, pedicure, manicure etc. may also increase their turnover. Again, this will help generate new jobs for the inhabitants of the region.

Customer satisfaction is the function of care and willingness of the staff. For those employees, who are in direct contact with the customers, our recommendation is to sing-in for courses of assertive behaviour, social etiquette, psychological exercises etc. The can be also attended by the management or owners in case when they are directly engaged in the operation and services of the firm. Moreover, it is also important to ensure continuous education in tourism traffic, marketing and monitoring all the generally applicable and mandatory regulations bringing about changes in ways of accounting, taxation etc.

The Slovak Ministry of Economy is supportive towards development of small and medium-sized enterprises, including those in tourist traffic. The assistance is focused on acquiring theoretical and practical knowledge and skills for running such companies to ensure growth in the level of education for entrepreneurs. The mostly covered areas are as follows: marketing and telemarketing, financial management, legal and tax issues, management, psychological aspects of entrepreneurship, business skills, accounting, foreign trade, risks, insurance etc. Such support offered by the state is realized by way of courses where the costs involved might be refunded up to 80 % - 100% depending on the criteria met.

For small companies, it is very important to cooperate with the public sector, as the communities in via their public organs (local village and city representatives) can present their opinion to the regional plan of development thereby affecting location of the companies, utilization of the fields, promoting the social programme of the village, solving waste disposal issues etc. In this area our recommendation is that small family firms join the local or regional associations of tourist traffic, wherein they can obtain assistance from partners in better utilization of their capacities and adjusting their services so as to bring profitability to all participants in the region.

## Conclusion

Tourist traffic is a highly competitive environment which changes continuously and reacts to external influences. It is one of the sectors of the national economy that undergoes high rate of development but remaining extremely vulnerable to external factors causing stagnation. Competition in the field of tourist traffic services is high and variable, therefore, entrepreneurs in this sector must be creative and flexible in bringing forth modified services, addressing the widest possible segment of the market thereby acquiring the highest possible number of visitors to their resorts. Attracting visitors to touristically interesting sites will result in the growing economy of the region and various other sectors, which will further contribute to higher productivity of the services offered and the development of the region as well.

## References

- [1] BERGHOFF, H. et al. (eds.), (2002). *The Making of Modern Tourism: The Cultural History of the British Experience*. Palgrave Publishers Ltd.
- [2] BERGHOFF, H., KORTE, B., (2002). Britain and the Making of Modern Tourism. An Interdisciplinary Approach. In H. *The Making of Modern Tourism: The Cultural History of the British Experience*. Palgrave Publishers Ltd., pp. 1620.
- [3] HESKOVÁ, M. et al., (2011). *Cestovní ruch*. Praha: Fortuna. ISBN 978-80-7373-107-6.
- [4] ORIEŠKA, J., (2010). *Služby v cestovním ruchu*. Praha: Idea Servis. ISBN 978-80-85970-68-5.
- [5] ORIEŠKA, J., (2010). *Služby cestovního ruchu I*. Bratislava: SPN. ISBN 978-80-10-01831-4.
- [6] MAUER, M., REPÍK, O., (2013). Economic aspects of tourism events - theoretical approaches to measuring the impact. In *16th International Colloquium on Regional Sciences. Conference Proceedings*. Brno: Masarykova univerzita. pp. 593-602. ISBN 978-80-210-6257-3. DOI 10.5817/CZ.MUNI.P210-6257-2013-75.

***The contribution is partial result of project-solving VEGA M<sup>TM</sup>VVa<sup>TM</sup>SR 1/0176/13 and 1/1033/12.***