

REGIONAL FACTORS IN TOURIST FLOWS AND COMPETITIVENESS IN HEALTH TOURISM IN HUNGARY

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Abstract

The paper introduces our newly initiated research project focusing on the competitiveness of health tourism in Hungary, a rapidly developing sector based on the country's abundant resources of thermal and medicinal water. Continuous tracking of travel "flows" or "streams" is vital for the development and efficient functioning of health tourism, as is the performance of the competition at all levels. In regional terms we plan to open up our study from our local regions (peripheral South Transdanubia and competition-threatened West Transdanubia) to the regions across our western border (Burgenland and Styria in Austria and Slovenia).

We study the role of health tourism in developing the economy at all levels, prioritising innovation, clustering, and environmental sustainability. Innovation's importance lies in distinguishing destinations – a feature particularly evidenced in Austria), and in this respect Hungary lags behind. Clustering offers potential to extract advantage by collaborating in, say, marketing, attracting more visitors to the region. We believe in the importance of planning - to minimise direct competition, and in networking - to maximise visitor numbers and length of stay (possibly by a planned variety of facilities).

Much improved data and analytical tools are needed and we aim to measure and benchmark the influence of this tourism sector on the national economy for broad access. For this we are exploring the development of software to establish a "Health Tourism Information System". This should achieve "real-world usability quality" results, and we expect that this, together with the benchmarking system, will support development in domestic destinations, track performance and encourage competitiveness in changing market conditions.

Keywords: mono-centric development; regional disparities; benchmarking system; innovation; clusterisation.

INTRODUCTION

The term '*health tourism*' covers all types of travel as a tourist which relate to health. There are two main driving forces for visitors in this sector. The first is to recover or recuperate – that is to say, to improve one's own health from its present state. For this, we also use the term '*medicinal tourism*'. The second is to preserve or maintain health, which embraces prophylaxis - and which we also refer to as '*wellness tourism*'. In this current paper, we concentrate on the *medicinal* side of *health tourism*, examining its opportunities in the two regions of Hungary analysed. *Medicinal tourism* means buying a certain package of services in order to be cured of certain disorders or illnesses at a location providing medicinal services - perhaps at a spa resort – and there is often a defined minimum period for the stay. Here the main emphasis is on services based on medicinal factors (cf. 'medicine') such as spa water, salt-caves, therapeutic micro-climates and therapeutic mud. All are frequently supplemented by general tourism services and attractions. 'Spa', 'spa-tourism' etc indicate the presence of a natural source of water used for therapeutic purposes.

Health tourism is not only one of most visibly and rapidly developing sub-branches of domestic tourism; it is currently one of the world's most innovative business sectors. Within the tourism sector, the development of health tourism can significantly enhance the number of guest-nights and the actual spending of guests. Major reasons for this include the fact that demand shows much lower seasonal fluctuation than is evident in general tourism and also the fact that tourism for most health-related purposes requires more time to be spent at the destination. Consequently, the development of health tourism could contribute significantly in countering the normal imbalances in domestic tourism shown in terms of season, time as well as generating revenue over a broader range of locally provided, on-site services. A broad awareness of these factors has prompted the authors to undertake some investigation into the relevant issues in two (i.e., their own) particular Regions. This paper represents the initial work on the project undertaken – not only on the customary basis of secondary data, but also of personal experience.

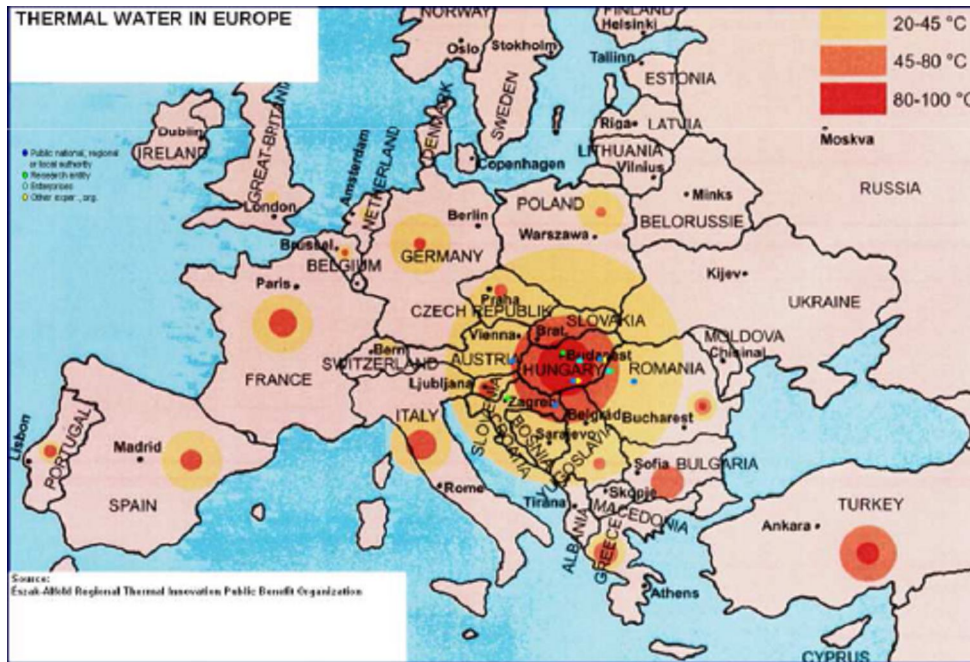
Hungary has (in world terms) a unique thermal- and spa-water reservoir, as thermal water is available beneath some 80 percent of the country's surface area (*Figure 1*). For this reason, medicinal or health tourism is a significant factor in the Hungarian tourism supply - based on the traces of a remarkably long history of several millennia in terms of a broad "bath-culture", and within which there is now a serious medicinal tourism tradition which goes back several decades. This tradition seems well-founded in the sense that, in addition to the historical baths, there is a deep-seated bath-culture, established medical expertise and substantial bath-focused investment over recent years. However, it is most important to recognise that it is not the capital alone which has the tradition and the potential. In Hungary, characterised by hugely *mono-centric development*, it is the provinces – the regions (insofar as they have a formal existence) which have the true variety and potential (*Figure 2*).

In addition to the (obviously convenient) factor that the two Regions examined were so familiar to the authors, their choice can be justified quite rationally.

West Transdanubia is the most developed of the Regions of Hungary in many respects – not least in the field of Health Tourism. No doubt, its proximity to the Western border (which makes travel from Austria and Germany fast and convenient) has influenced the development

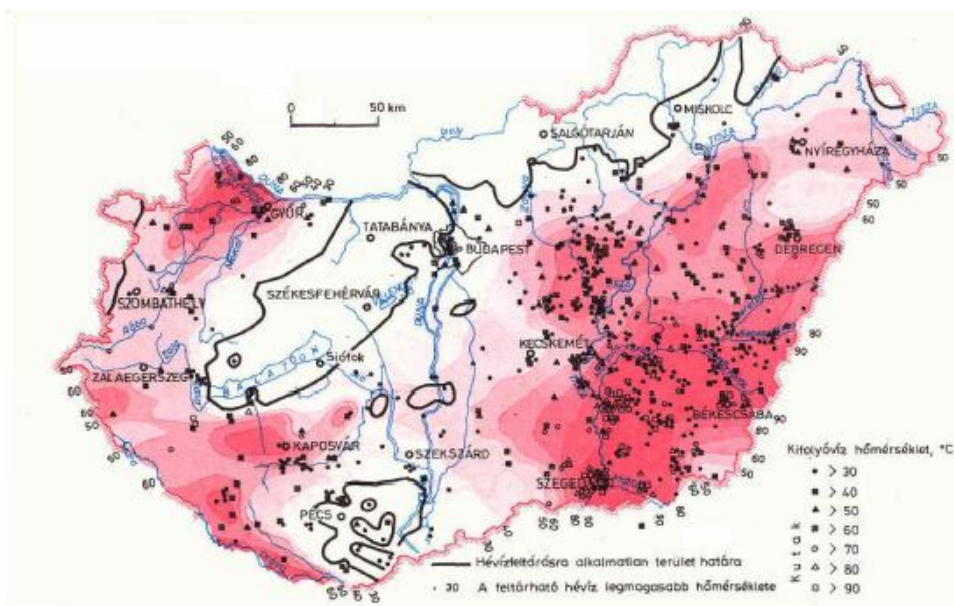
level in the sector, but this is the Region where clusterisation is taking place and where there is clear recognition of serious, cross-border competition. South Transdanubia lags behind its neighbour somewhat but is attempting to catch up by better and wider exploitation of its natural resources. We later make mention of a Centre for Innovation and Excellence in the sector – which supports our contention.

Figure 1: The spread of thermal spa waters in Europe



Source: http://www.innova.eszakalfold.hu/upload/PiskolczineBE_INNOVA.pdf

Figure 2: Thermal water reservoirs providing warm water above 30 °C in Hungary



Edited by: Béla Ferenc, András Nagy, 1993

In this investigation we propose to deal with the tourism sector (which is, unarguably, playing an important role in the current development of the Hungarian economy) and, in particular, with a study of the competitiveness of health-tourism. We base our interest firstly on recognising that, today, a continuous tracking of tourists' travel "flows" ("streams") is vital for sustainable development and for the efficient functioning of any form of specialised tourism – and perhaps health tourism in particular. Secondly, we also need to track the performance of the competition (hotels, baths and destinations) at international, national, regional and local level. From a regional point of view, we would like to broaden the scope of our study from our local regions (South and West Transdanubia) to those regions across our western border (in Slovenia, Burgenland and Styria). Over the last few years, changes have taken place in the East Central European region in respect of both the tourism infrastructure and the forms of tourism organisational activities. We contend that these changes are as yet an unexplored topic.

It is long known and accepted that, from an economic, social and environmental point of view, tourism has both a positive and a negative effect on the towns hosting tourists. (Beioley, S. et al. 1990). However, the general public prefers to see tourism as a possible stimulus for economic development and reform. In the 1970s, this possibility was, first of all, attributed to rural areas (Duffield, B.S. et al. 1981) and then, in the 1980s, the potential of urban areas in this respect grew considerably (pl.: Vaughan, D. R. 1985, 1990). Later still, opinion grew that tourism can play a role in the regeneration processes of the city (Collinge, M. 1989). This means that it is not only for its direct influence that tourism deserves promotion, but also for the influence exercised on the strategies which aim to renew the city/town in a broader sense. The total proceeds, however, are constituted by the collective influence of different factors: the size/weight of local industry, the number of tourists who are attracted, the income which those tourists generate locally and the number of new jobs created, together, of course, with the transformation of the city/town in the physical sense. All of these go together with specific marketing efforts to create a positive image for the city. For the general economy-stimulating role of tourism to materialise locally, the constant following, measuring and analysis of the demands of the receiving market are necessary, in order that, in the early years of the new millennium, finally, planning will be effective and action programmes created. In future years, the only forms of tourism which will enjoy real success will be those which can meet the differing demands of tourists over the longer term. These will be able to generate profit for the entrepreneurs, to benefit the community and to protect both the natural and built environment.

The growing significance of what we broadly term health-, spa- or thermal-tourism, is clearly evident even on a global scale and this is fully recognised by the European Union. It is, therefore, logical that South and West Transdanubia's current tourism development strategy should spearhead the sector, since the region has significant, natural resource-based potential. It has, however, noticeably lagged behind other Hungarian regions in recent years, in that there have been no major investments, and those which were realised were not coordinated. The consequence has been that no general, overall improvements were visible - despite the increasing attractiveness of a few active, resourceful spas in the region. What has now emerged is a wide variety of proposals ranging from interesting and competitive new concepts to relics of the socialist era - with old-fashioned facilities which have remained unchanged for years.

However, EU funding for the development of accommodation and for baths has supported several serious investments, and the sums allocated were increased significantly for the 2007-

2008 period. Accommodation-related projects received by far the most support, with more than half of all projects belonging to this category. There is, nonetheless, a relatively broad spectrum of businesses which were acknowledged as meriting support. Consequently, the developments in the accommodation field will be the first to show results in the local economy. These results should show themselves in an up-turn in visitor-nights, in increasing tourist tax revenue for local authorities, in improving employment statistics and in terms of general income in these areas through the increased demand for labour - both for initial construction and outfitting work and for the operating activities which follow.

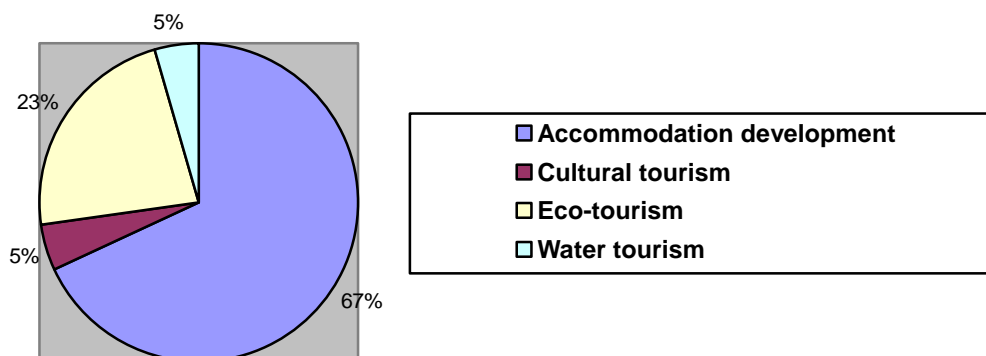
1. TOURISM IN THE SOUTH TRANSDANUBIAN REGION

The region (cf. the Tourism Development Strategy of the South Transdanubia Touristic Region, 2006) considers the most important directions for the development of tourism to be those which define the tourism supply and image of the region at the same time:

1. Medicinal- and Thermal-tourism,
2. Cultural tourism,
3. Event tourism
4. Wine and gastronomic tourism,
5. Conference tourism,
6. Village tourism,
7. Active tourism (eco-tourism, water-tourism, riding, hunting, cycling),

This is the region where the scope of supported projects is the narrowest, with projects from only four of the above sectors actually supported (*see Chart 1*).

Chart 1: The distribution of supported projects in South Transdanubia (%)

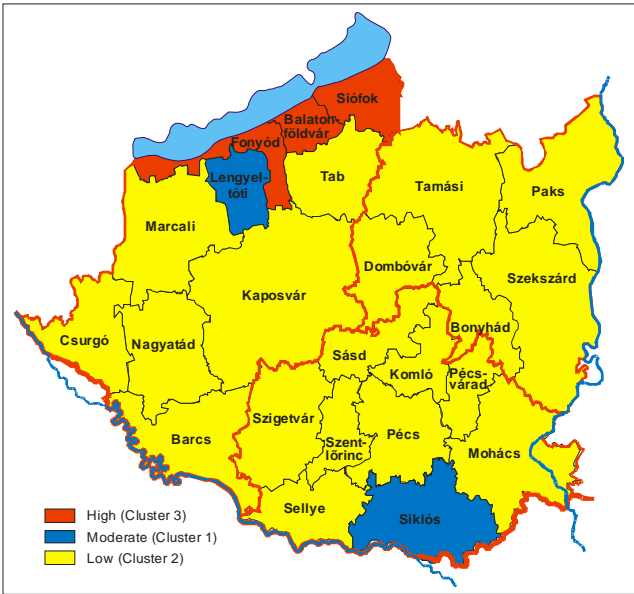


Source: Authors' own calculation according to EMIR data (Bakucz, M. – Klesch, G. 2009).

The high incidence of eco-tourism among the projects supported is a welcome development, and cultural tourism and active tourism (the latter thanks to water-tourism) also feature in the strategy. An essential part of Accommodation Development – to which two-thirds of all support is directed - is utilised in villages and settlements with spas or thermal baths (Csokonyavisonta, Dombóvár-Gunaras), and so overall the supported projects are in line with the set strategic aims. Equestrian and Gastronomic Tourism (including Wine Tourism) are not

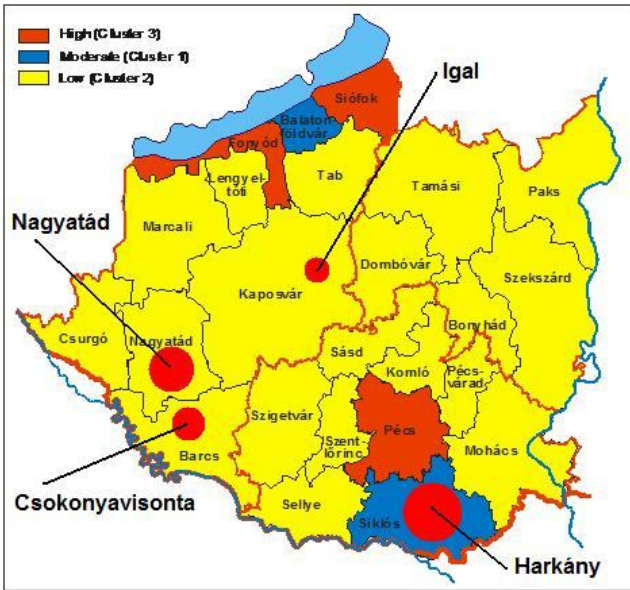
among the supported projects. Here we have to consider one of the major NTS (National Tourism Strategy) goals, one which aims to decrease or eliminate *regional disparities*, and we would like to support this with the results of a cluster analysis produced from tourism data supplied by the Central Statistical Office (CSO) for the period 2000-2003. These results are shown in the following maps (*Charts 2 and 3*).

Chart 2: The tourism categorisation of the South Transdanubian micro-regions based on the results of the cluster analysis. Version 1



Source: As postulated by the author. (Factors used: aggregated numbers of annual averages of bed-occupancy, available bed-places per 1,000 inhabitants and average length of visitors' stay). Designed: by Valéria Fonyódi, 2005. [1]

Chart 3: The tourism categorisation of the South Transdanubian micro-regions based on the results of the cluster analysis. Version 2



Source: As postulated by the author. (Factors used: aggregated figures of the annual averages of tourist arrivals, available bed-places per 1,000 inhabitants and average length of visitors' stay). [1]

Note: The individual spas used as the basis for more analytical comment later in the paper are highlighted by the current authors.

To develop this theme further, we highlighted in Chart 3 four spas in the Region: Harkány, Csokonyavisonta, Igal and Nagyatád and examined the relevant data for 2004-2007 to illustrate the current state of health-tourism (*Bakucz, M. – Klesch, G. 2009*).

2. HEALTH-TOURISM IN THE SOUTH TRANSDANUBIAN REGION

The region is rich in thermal- and medicinal waters, and, due to this, a wide range of water-related services and treatments is available in health tourism, whilst, at the same time, the capacity in the majority of the baths concerned is low and they meet only local demand; their potential for tourists is, in other words, not significant. By contrast, there are no wellness baths, as such, to be found in the region offering both good capacity and high-quality services, although the range of medicinal waters is unique in Europe, and this is a highly attractive factor even at international level. This, and serious developments in quality, have given the thermal bath at Harkány, for example, a wide reputation over the last few years.

Medicinal and wellness hotels attached to baths or spas are also products of health tourism, and major ones have been built in Siófok and in Harkány. For example, a four-star hotel is located in Siófok and four-star country-houses with wellness and spa services are found both in Bikal and in Hőgyész.

It is possible that the Abaliget Cave (famous for its limestone stalactites) will have a significant role to play in future health tourism in the region due to its air and micro-climate, which are most suitable for the treatment of respiratory disorders, but this is still to be realised. In brief, the products and services of health tourism in the region do not currently meet the required international and national expectations:

- There is an oversupply of small, medium-quality baths with no more than a local role to play and there is limited availability of profitable services so making it very difficult for the owners (generally, local authorities) to maintain them, and still less to develop them. For example, although the bath at Harkány handles a good deal of visitor traffic, the absence of family resort services may be an obstacle to further development.
- Capacity limitations at higher quality baths produce overcrowding and result in lower service quality. At the same time, there is little possibility of enlargement due to the poor location of buildings. In addition, the lack of differentiation generates competition instead of developing complexity in the region.
- Significant investment has been postponed due to the extremely weak financial situation of the local authorities and the difficulty in finding external working capital. The current oversupply is a serious problem and requires a new range of more profitable services to be introduced. There is a demand for the establishment of a large capacity thermal- and aqua-park in the region, but the planning period is the time when the project should be made distinct from other aqua-parks in the country (for example, in terms of its theme or themes).

Table 1: Significant spa development in the Region 2000-2008

Year	More significant development of spas between 2000-2008		
2000			
2001			
2002			
2003	Indoor spa in Igal	Development in Harkány	Opening of spa in Marcali
2004	Indoor spa in Dombóvár	Opening of Sikonda Wellness Hotel*** and Spa	
2005			
2006	Opening of outdoor aquapark in Kaposvár	Opening of spa in Barcs	Renovation of Nagyatád Spa
2007	Opening of Spa in Szigetvár	Opening of thermal bath in Mohács	

Source: Own collection, edited by Gábor Klesch, 2009.

The greatest problem in the region is that the number of guests visiting spas is not increasing, in spite of the number of spas built between 2000 and 2008 (*Table 1 and 2*).

Table 2: Planned Development of Baths in the Region

Baths	Cost of investment	Planned opening
Barcs	€0.44 million	December 2009
Harkány	€4.07 million	2011
Kaposvár	€13.7 million	October 2010
Tamási	€5.6 million	End of 2010
Nagybajom	€7.4 million	Summer 2011
Siklós	€8.8 million	Spring 2010
Dombóvár	€4.88 million	2011
Magyarhertelend	€0.55 million	Autumn 2009
Total	ca. €40.55 million	

Source: own collection, edited by Gábor Klesch, 2009.

3. THE SOUTH TRANSDANUBIAN SPA AND THERMAL TOURISM COMPETENCE CENTRE AS A REGIONAL INNOVATION-ORIENTED ORGANISATION

The organisation was established in March 2007 by the South Transdanubian Spa and Thermal Bath Association, and, by this, the Region has been strengthened by a Transfer Institution well able to appraise and involve stakeholders from the region. This, first of all, means spas, thermal baths and closely-related enterprises. The aim was to create a centre with the ability to develop and facilitate effective coordination by means of a variety of projects involving such establishments together with research centres, researcher-developers and universities. Today, innovation is a very important factor in tourism and the Centre has specific goals:

- To increase the competitiveness of the region’s spa and thermal tourism by:
 - repositioning service-providers in the market,
 - introducing and developing products and services which enhance economic efficiency,
 - improving the commercial effectiveness of institutions
 - stimulating and adopting innovation-oriented thinking;
- To maintain ongoing discussion among the enterprises directly affiliated with spa and thermal tourism
- To achieve sustainable cluster-based economic development in health tourism
- To raise significantly long-term domestic and foreign visitor numbers.

To develop this theme further, the previous map (*Chart 3*) highlighted four spas in the Region: Harkány, Csokonyavisonta, Igal and Nagyatád and examined the relevant data for 2004-2007 to illustrate the current state of health-tourism.

Table 3: Statistical data from 4 medicinal spa resorts in South Transdanubia: Harkány (1); Csokonyavisonta (2); Igal (3); Nagyatád (4);

Year	Average Length of Visitors’ Stay (day)				Available Bed-Places per 1,000 Inhabitants (bed-place)				Number of Guests (person)			
	1	2	3	4	1	2	3	4	1	2	3	4
2004	4.31	7.76	4.08	4.65	2,897	406	121	556	57,383	2,994	3,408	5,087
2005	4.17	7.76	4.42	4.42	1,499	367	128	472	58,046	2,586	2,529	4,881
2006	4.14	6.59	3.4	4.41	2,647	537	122	380	73,778	2,689	2,719	4,760
2007	3.87	5.7	3.65	3	2,997	503	116	503	75,417	3,602	3,219	5,907

Source: Hungarian Central Statistical Office. Edited by Gábor Klesch, 2009.

The number of bed-nights per capita for Csokonyavisonta leads the group of four with an average of between 6 and 7, whilst the average of the other thermal baths is around 4 nights. In the case of Csokonyavisonta, this is due to the large number of foreign guests, mostly German, who spend an average of one week in the neighbourhood of the spa.

Harkány leads in terms of accommodation (expressed in terms of quantity of public and private accommodation per 1,000 residents) which is close to 3,000. The latter figure, however, is not constant and varies. In Igal no similar, large-scale accommodation developments have yet taken place and so this value is very low (about 120 bed-places per 1,000 residents). There is no significant difference between the values for Nagyatád and Csokonyavisonta.

Regarding the number of guests staying in public and private accommodation, Harkány also leads with an increase of almost 30% from 2004 to 2007, the actual number of guests growing from 57,383 to 75,417. It is very interesting that the figures for Igal and Csokonyavisonta show a similar change.

The three Somogy County medicinal spa resorts, as a counter to the more dynamically developing South Baranya and South Balaton, can lower the spatial concentration of tourism by improving the health tourism sector.

In 2007 Xellum Ltd - on behalf of the South Transdanubian Development Agency - published a report under the title “Determining a development direction for health and thermal tourism strategy”. This report contained a number of significant elements: a SWOT and competition analysis, *the categorisation of spas*, new regional product development and a model of what they called “The South-Pannon Cure”.

Csokonyavisonta, Igal and Nagyatád have a *regional reputation* (Harkány an *international* one) in health tourism, and all of these destinations, basically built on therapy, are willing to develop their character by supplementing their own essential services (built on natural therapeutic factors) with other services specific to their region, so offering a *destination-specific cure*. The “South-Pannon Cure” represents such a cure and models the development suggested for the spas of Csokonyavisonta, Igal and Nagyatád. Their approach is a holistic one and also focuses on a limited number of medical disorders for which the local water has proven value.

For Harkány to achieve a serious breakthrough, the destination would need to establish itself very strongly as an international health resort. However, competition at this level is fierce, and to achieve this - over and above basic improvements to the establishment itself and to the quality and sophistication of its internal services – further work on the townscape and a basic restructuring of external (e.g., transport) services are also needed.

4. CLUSTERISATION IN THE SOUTH TRANSDANUBIAN REGION

Due to the international success of the concept, more and more sectors in Hungary are tending towards clusterisation. The New Hungary Development Plan supports the development of clusters on more levels, from starting through developing to accreditation. Tourism enterprises and services standing alone and competing with each other cannot achieve results in Hungary nor on the international market as satisfactory as can co-operating networks of organisations with a coordinated tourism supply and unified design, and which share common marketing and information systems. Trust-based networks can help small enterprises to utilise their special resources by sharing knowledge. In this region spas have the concept of becoming a health-cluster in order to exploit the essential advantages of the cluster. The innovation-oriented South Transdanubian Spa and Thermal Tourism Competence Centre can help in this.

In 2008, according to the Hungarian Central Statistics Office (KSH) 11 percent of tourists in the country were “health tourists” and 31% of hotel turnover arose was earned in health and wellness hotels. In addition, the revenue from foreign guests developed very dynamically. In 2008, 13.5% of foreign and 25% of domestic guests used the services of health and wellness hotels, whilst the number of available beds increased by almost 5% (27% in July) compared to the same period in 2007.

A note of caution should be sounded here in the light of the international financial crisis, but, nevertheless, the authors contend that universally growing interest in health matters will almost certainly mean that the health tourism sector will suffer somewhat less in any recession than the more general, traditional form of tourism.

5. TOURISM IN WEST TRANSDANUBIA

The New Hungary Development Plan 2007 – 2013 is the strategic framework for the Hungarian economy. In Hungary currently there are two extremely acute problems which need to be solved as a matter of urgency. One relates to unemployment and the other to establishing the conditions for sustainable economic growth.

There are six priorities in this plan, one of which is 'Regional Development'. Hungary's regional structure shows huge differences in economic development and in employment also, and to develop the general competitiveness of our country a more balanced and efficient regional structure is required.

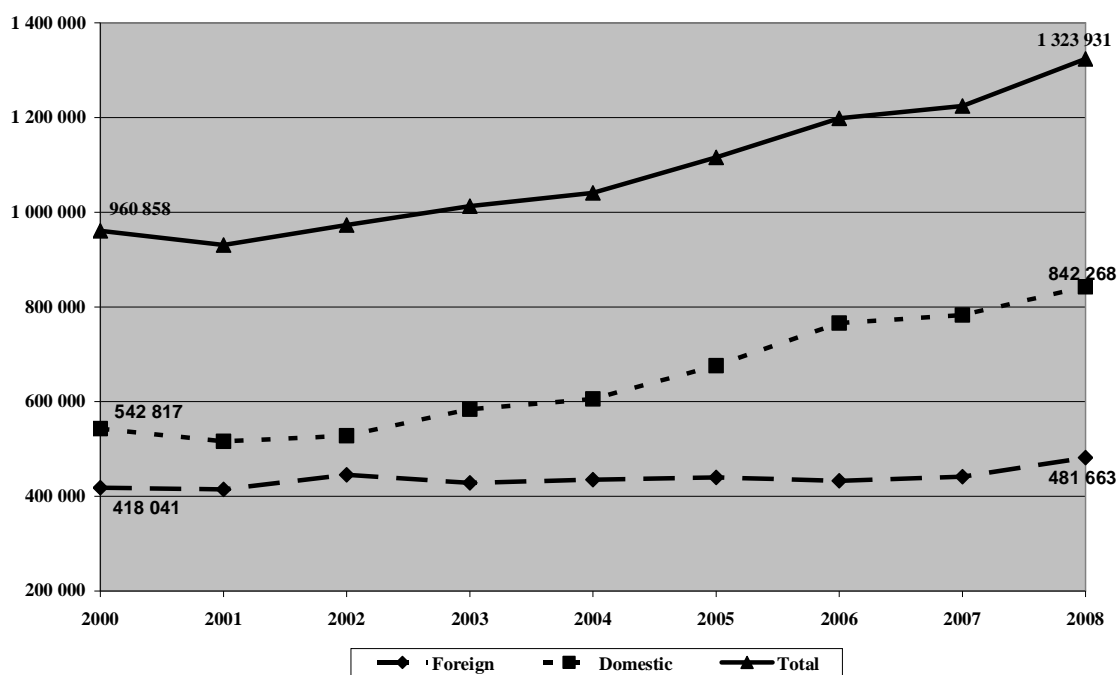
The economy of the **West Transdanubian Region** demands renewal if it is to develop its basic competitiveness and the priority objective should be to increase its research and development (R&D) capacity. One of the flagships of this region is high-quality health- and recreation-tourism, based on a plentiful supply of thermal waters. During the last ten years a cluster-type co-operation of spas, hotels and local authorities has been developed (the *Pannon Thermal Cluster*), and, to achieve further success for the region, tourism needs to be developed through thematic tourism programmes, active tourism and a programming of the 'Pannonian' heritage.

According to The New Hungary Development Plan, the **South Transdanubia Region** can be a model region with a high quality environment and an outstanding cultural heritage. This, however, does not sound particularly encouraging in that it seems to indicate experimenting with the region. The regional capital, Pécs, is a Cultural Capital of Europe 2010 – something which should provide perfect marketing communication and promotion to attract domestic and foreign tourists into the region. The regional foundation for tourism is quite good in the sense that there is a good product portfolio (culture, wine, health- and spa-tourism, rural tourism) but investment, organisational improvement and co-operation are lacking,

6. TOURISM IN THE WEST TRANSDANUBIAN REGION

In respect of this, the second region to be examined, our data can be compared usefully with that for neighbouring South Transdanubia.

Chart 4: Tourist arrivals 2000 – 2008 West Transdanubia Region

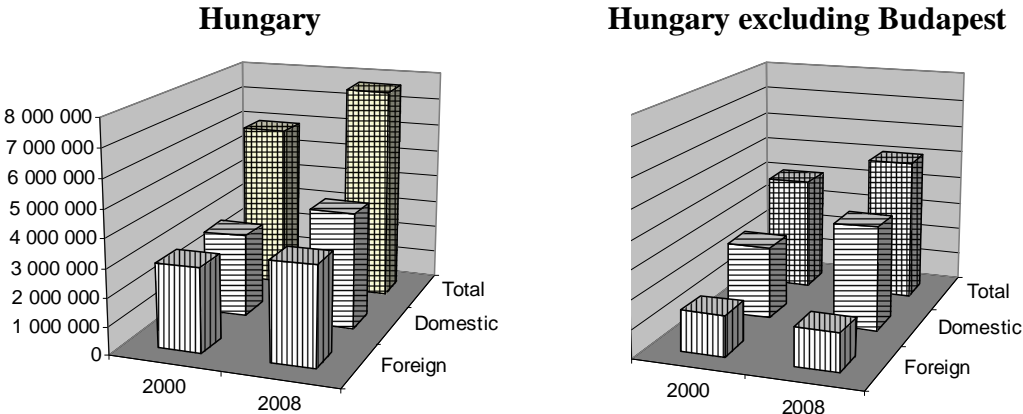


Source of data: Hungarian Statistical Office (KSH)

We have analysed mainly the secondary data of tourism, most specifically that pertaining to public accommodation establishments. By analysing tourist arrivals at public accommodation establishments (*see Chart 4*) an upward trend can be seen. The number of domestic tourists has increased constantly with changing dynamics, producing a 55.2% growth between 2000 and 2008. The number of foreign tourists has also increased during this period but the growth in this sector was only 15.2%. These two segments of tourist arrivals altogether generated a 37.8% growth in tourist arrivals on public accommodation establishments. We can, therefore, accept West Transdanubia as successful in this respect, although this is done without comparing this region with other regions of Hungary and with the national trends.

The overall growth of tourist arrivals in Hungary in 2000-2008 was 28.8% (the number of domestic tourists increasing by 40.3% and of foreign guests by 17.5%) and these data support our earlier assertion. Due to of the huge (economic, infrastructural, touristic) differences between the capital and the provinces, we decided to analyse Hungary’s performance excluding Budapest. We felt that we had to do this as its domestic (15.64%, 2008) and foreign (84.36%, 2008) visitor rates differ significantly from the national data (domestic 54.05%, foreign 45.95%, in the same year).

Chart 5: Tourist arrivals (2000, 2008)



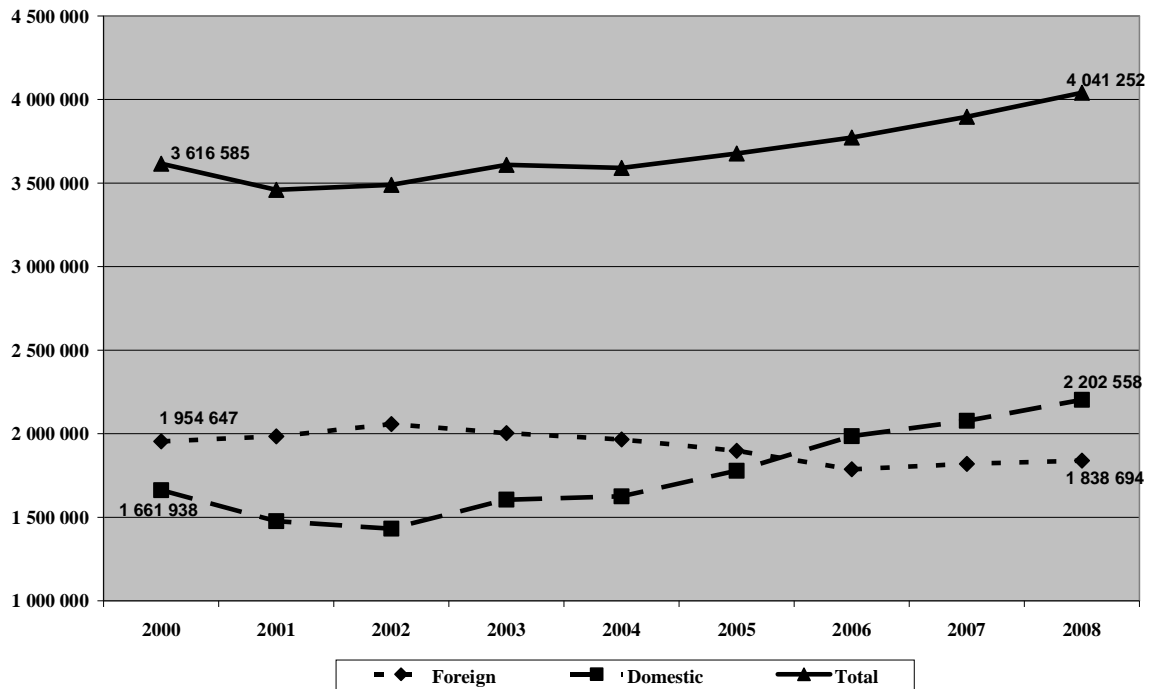
Source of data: Hungarian Statistical Office (KSH)

Chart 5 shows the most important differences. The growth of tourist arrivals at public accommodation establishments is higher in West Transdanubia Region (37.8%) than in Hungary without Budapest (26.4%). Whilst the number of foreign tourists in Hungary (excluding Budapest) declined by 5.1% over 9 years, in West Transdanubia the segment grew by 15.2%. The number of domestic tourists increased very similarly all over Hungary.

Unfortunately, the growth of nights on public accommodation establishments does not follow the trend of tourist arrivals (*see Chart 6*). The number of foreign nights decreased by 5.9% between 2000 and 2008 and matches the national mean (-4.8%). The change year by year was no more than $\pm 2\%$. The number of nights spent by domestic tourists in West Transdanubia increased by 32.5%, whilst national growth was 26.9%. The growth in this region had the effect that the number of domestic nights on public accommodation establishments from 2006 outnumbered those of foreign nights. Altogether, the growth rate was 11.7% - slightly better than the Hungarian mean of 8.7%. We have compared again West Hungary’s performance with the national data excluding Budapest, but unfortunately the number of foreign nights

decreased in this sector also - by 25% over 9 years. The growth of domestic nights was 29.6% - which approximates to the West Hungarian data (32.5%). The total growth of nights in Hungary excluding Budapest increased only by 3.5% between 2000 and 2008 - which can be regarded as stagnation. The average growth is about 0.4% annually.

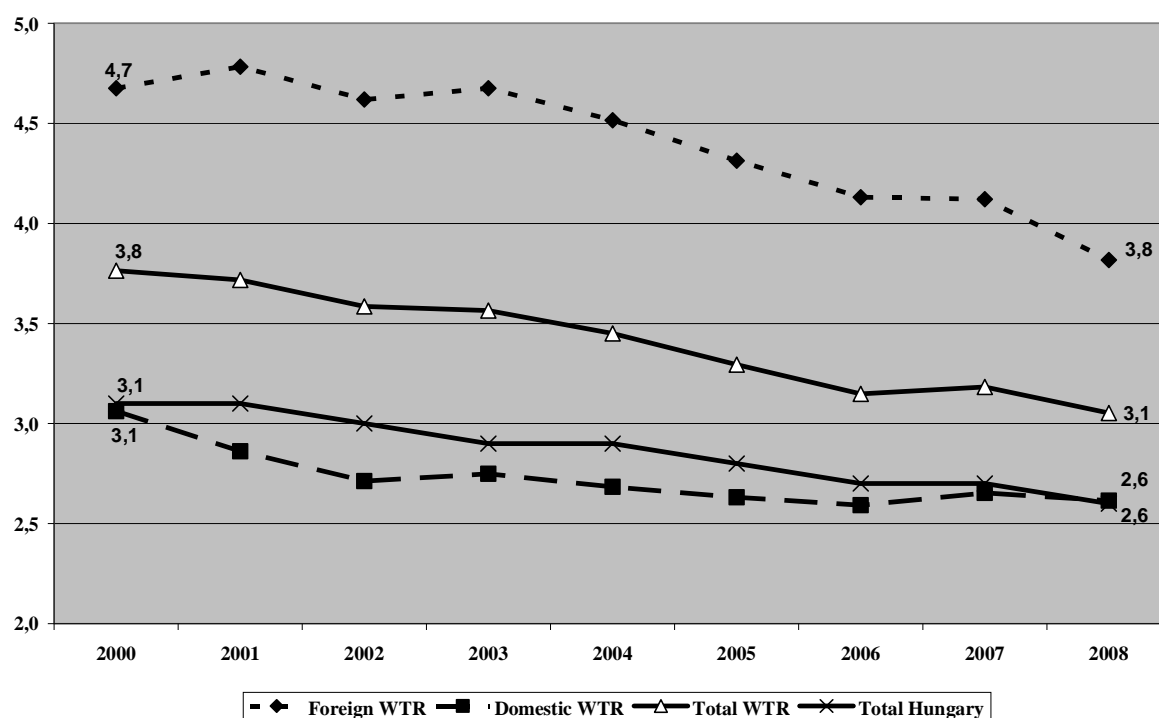
Chart 6: Number of nights 2000 – 2008 West Transdanubia Region



Source of data: Hungarian Statistical Office (KSH)

The number of tourist arrivals and nights is very important in evaluating the performance of the tourism industry. For the enterprises (mostly hotels, boarding houses) working in tourism the average length of stay seems to be as important as the number of guests or nights. Its importance lies in calculations of the yearly costs of employees, cleaning equipment and room textiles (bed-linen, towels etc). When the average length of stay is low, all of these increase rapidly, so reducing profit. If the average length of stay is high, this will produce lower costs and (hopefully) more consumption per person on site. The general trend over Hungary shows a slow reduction in the length of stay (see *Chart 7.*). Not only international tourists but also Hungarians take shorter holidays or weekends in public accommodation establishments. In 2001 foreign tourists spent 4.8 nights in West Transdanubia but only 3.8 nights in 2008. The domestic trend declined from 3.1 nights (2000) to 2.6 nights (2008) and the average length of stay in this region has declined from 3.8 nights to 3.1 nights. Comparing the national data we can see the same trend, but, despite this, the values are higher in the West Transdanubian Region than in Hungary overall, due to the different product. West Transdanubia has mainly health and spa hotels and effective medical cures take at least 10-14 days.

**Chart 7: Average length of stay 2000 – 2008
West Transdanubia Region and Hungary**



Source of data: Hungarian Statistical Office (KSH)

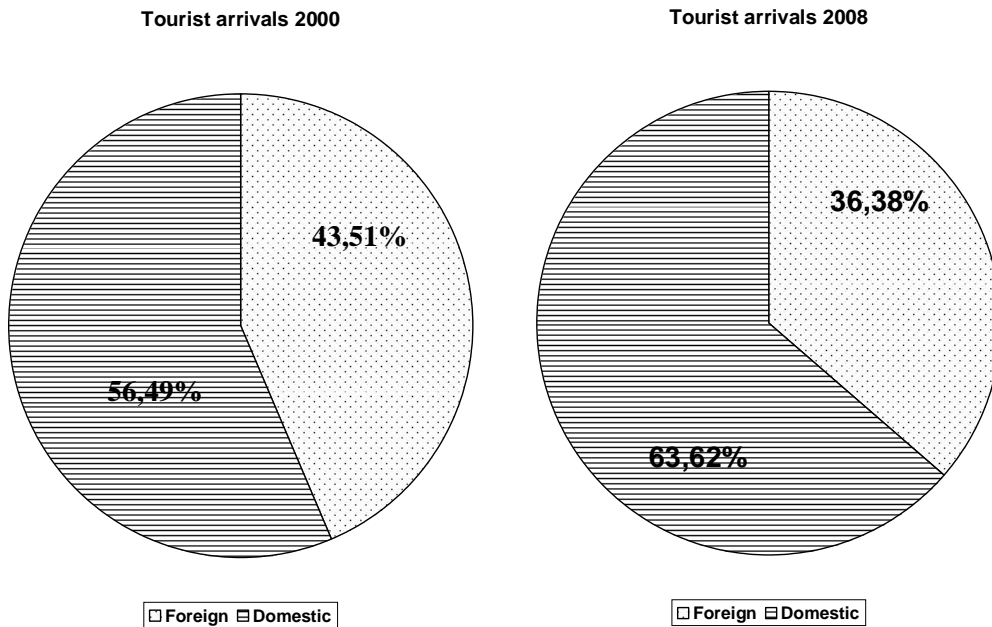
According to our analysis of tourist arrivals, number of nights and average length of stay, we can state that the tourism of the West Hungary Region is performing well. This does not mean there are no problems or tasks to be faced. It means only that the basis of tourism in the region is good but requires further investment, co-operation and development to be able to perform well on the international tourism market in the current economic crisis.

7. TOURIST FLOWS

To make an effective marketing and financial plan for the West Transdanubia Region and also for enterprises in this region it is important to know: Where do tourists come from? How have the flows of tourists changed in the last ten years? Is there any significant change? We have to find the answers to all these questions if tourism in the region is to be developed.

The number of tourists in public accommodation establishments increased by 37.8% between 2000 and 2008. That means an annual average growth of 4.2%. The number of domestic tourists increased by 55.2% but international arrivals by only 15.2%. This huge difference in growth has changed the structure of tourist arrivals in the region. In 2000 the rate of domestic arrivals was 56.5% and in 2008 63.6%. The rate of foreign tourist arrivals decreased from 43.5% in 2000 to 36.4% in 2008 (see *Chart 8*). These data shows us that domestic tourism plays a most significant role in tourism. To analyse its real meaning we have to compare the number of domestic and foreign nights in the region. These two indicators together will show the region's main tourist flows.

Chart 8: Domestic and foreign tourist arrivals 2000, 2008

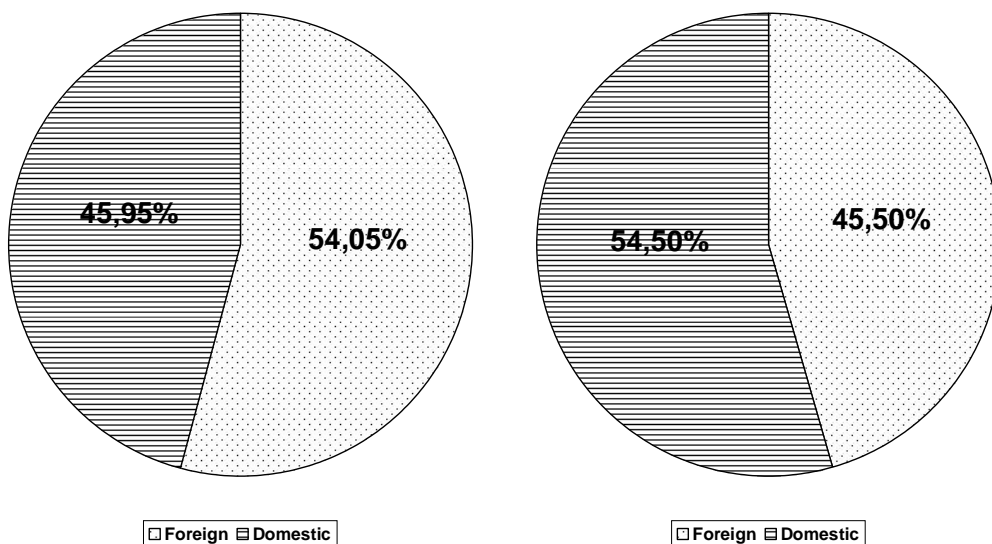


Source of data: Hungarian Statistical Office (KSH)

The number of nights slightly increased between 2000 and 2008 - which means a 1.3% annual growth. **Chart 9** shows that the rate of foreign nights decreased from 54% to 45.5%. The proportion of domestic nights increased from 46% to 54.5% and so not only can the significance of domestic arrivals be seen, but also that of domestic nights.

Chart 9: Domestic and foreign nights 2000, 2008

Number of nights 2000 Number of nights 2008



Source of data: Hungarian Statistical Office (KSH)

We analysed international tourist arrivals. but mostly the top 10 countries, since more than 80% of international arrivals came from these. The data have not seriously changed to date (to 2009) as there are only two newcomers to the top 10: Slovakia and Poland. France and the UK dropped out in 2009, Germany and Austria changed places (1st and 2nd) and arrivals from the Czech Republic and the Ukraine increased rapidly (see *Table 4*).

Table 4: Tourist arrivals – Top 10 countries

2004	Rank	2009
Germany	1	Austria
Austria	2	Germany
Italy	3	Czech Republic
Romania	4	Romania
Switzerland	5	Ukraine
Netherlands	6	Slovak
Czech Republic	7	Italy
France	8	Poland
UK	9	Netherlands
Ukraine	10	Switzerland

Source of data: Hungarian National Tourist Office (MT Zrt.)

Table 5 shows a slight realignment among the number of international nights in public accommodation establishments. Germany and Austria maintained their 1st and 2nd position, whilst, again, the UK and France did not feature in the top 10 countries in 2009. There are two newcomers: Slovakia and the Ukraine. Altogether these top 10 countries provided 87.2% of international tourist nights in 2009.

Table 5: Number of nights – Top 10 countries

2004	Rank	2009
Germany	1	Germany
Austria	2	Austria
Switzerland	3	Czech Republic
Czech Republic	4	Romania
Italy	5	Slovak
Netherlands	6	Italy
Romania	7	Switzerland
UK	8	Netherlands
France	9	Poland
Poland	10	Ukraine

Source of data: Hungarian National Tourist Office (MT Zrt.)

CONCLUSIONS AND RESEARCH OBJECTIVES

In our research we study the role played by health tourism in developing the economy at national, regional and local level, the priority area being innovation, clustering, and sustainability from an environmental point of view, and their role in determining competitiveness. Innovation plays a particularly important part in the area of health tourism, as its players can only differentiate themselves from one another by special and constantly renewed treatments and solutions, and by communicating these differences and peculiarities towards the consumers (USP). The popularity of many baths and hotels in West European and neighbouring countries (e.g. Austria) is due to the renewing power of innovation, and we believe that, in this respect, Hungary lags behind. What is important about clustering is that players attempt to extract advantage by working together for some form of common goal. The first step is the coordination of marketing activity, during which an increase in the number of tourists visiting the region results in enhanced profit for each enterprise. The second level of cooperation is the development of a joint procurement model which will result in cost savings. Based on this, we decided that research into the innovation and clustering potential in Hungarian health tourism will be one of our basic tools.

For the field of our empirical research (surveying the range of customers, interviews with business leaders and policy-makers) we would target Hungarian regions, and especially the South Transdanubian and West Transdanubian regions. We would also broaden this research to include the neighbouring (cross-border) thermal regions and clusters. We firmly believe that, in health tourism – as a special national development direction – the importance of detailed planning should be emphasised - to avoid or minimise direct competition among players and also to collaborate in networking and cluster development to attract as many visitors as possible to the spas, hotels and other related facilities of health tourism. A major aim would be to establish a variety of tourism products, with a view to increase the length of time which tourists spend at a destination.

For research into tourism at regional level we consider collecting and analysing the data to be the most challenging task, due to the fact that researchers often face incomplete or non-standard sets of data, and so, as a first step in our research, we would focus on how the present databases with statistics on tourism could be enlarged, and how analytical tools which make specific research into economic questions possible in this region, could be introduced and improved. The explicit aim of the planned basic research is to measure the influence of tourism (in our case health tourism) on the national economy, to make the development measurable through a data supply, as well as to set up a “benchmarking” system. As a tool for this, we are exploring the development of software with which we could establish the “Health Tourism Information System”

In the light of the results of data collection and interviews - and following the research into the level of innovation, clustering and environmental sustainability - a statistical index will be developed, a Health Tourism Competitiveness Index, which determines the competitiveness of enterprises and destinations with a stake in health tourism. We believe that the studies related to innovation, clustering and environmental sustainability can bring sufficient freshness and originality both for health tourism and for economic development in different areas.

Research tasks

Based on the above, we could specify a number of tasks for ourselves:

- an analysis of trends in European health tourism,
- collecting secondary data from health tourism enterprises and from statistics sources (the Hungarian Central Statistical Office, the Hotel Association of Hungary, the Hungarian Baths Association),
- measuring the number of visitors in commercial accommodation, and at the baths (chronological development),
- conducting interviews with professionals, local and national business leaders and policy-makers,
- charting infrastructural development and innovation, and tracking their use,
- measuring clustering,
- studying the competitiveness of health tourism in Hungary and in the regions along the western border,
- and setting up a system of “benchmarking” for domestic medicinal baths.

The main objective of our research is a comprehensive study and understanding of the influence of health tourism on the development of the economy. We wish to achieve this through the use of empirical methods, supplementing a study of the available written sources.

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