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## BUILDING THE FUTURE BASED ON THE PAST – TOURISM AROUND THE LAKE BALATON

Being an iconic destination in Hungary, the Lake Balaton and its surroundings do play a significant role in tourism. Although the area's recreational history dates back to the 19<sup>th</sup> century, image has been strongly formed by the mass tourism decades. The tourism trends, among them the restructuring of demand, has brought new challenges for the destination struggling with strong temporal and spatial imbalance of visitor flows. Nowadays, besides the 'measurable' tourism, the area offers unforgettable experiences also for non-conventional tourists (e.g. VFR, second home owners, one-day visitors). This article seeks to provide a short overview of the theoretical background of waterside areas as tourism destination, furthermore gives a summary of the current situation.

*Keywords:* Balaton, tourism, waterside, destination

### **Introduction**

Waterside areas play an outstanding role in world tourism. Although the recreational use of them dates back to the 19<sup>th</sup> century, waterside areas' image has been strongly formed during the mass tourism decades (1960–1980). After the need for reinventing and restructuring tourism offer at waterside, now tourists seek a colourful experience rather than just relaxing. The need for spending more time in nature, eating healthy food and enjoying quality time with the family and friends also shaped the tourism developments in these destinations.

Being an iconic destination in Hungary, the Lake Balaton and its surroundings have been 'the summer holiday' area for various segments. Changes of external environment, consumer and tourism trends has been affected the lake's tourism. Parallel with other waterside areas, numerous developments has been realized during the last decades in order to provide a wide range of water (bath) independent experiences that can be enjoyed all year around.

The Hungarian Central Statistical Office as responsible body for collecting and disseminating tourism statistics in Hungary, has a comprehensive database about the Lake Balaton, as well. Including the outlook for the selected literature, the main goal of this article is to provide a short up-to-date analysis about the tourism performance around the lake, and to map some important trends in tourism demand.

### **Tourism at waterside areas**

From the theoretical point of view, we can differentiate between ‘typical tourism landscapes’ (Michalkó, 2005), so city and rural, furthermore waterside (sea, lake, river) and mountain areas have their specific features and attractiveness for visitors. Although also big cities (e.g. Barcelona) have recreational waterfront sites, lakes (including the Lake Balaton) are surrounded rather by small settlements (Cooper, 2006; Hall – Harkonen, 2006; Sulyok, 2014).

As of the late 1980s, the demand for waterside (coastal) tourism destination has been restructured (Yeoman, 2007). It has resulted that these areas got into the stagnation phase of the tourism area lifecycle model (Agarwal, 1997; Jennings, 2004; Oreja et al., 2008; Garay – Canoves, 2011). The ‘overproduction’ of waterside (coastal) destination during the 1990s (Agarwal, 1999) resulted the drop of the 3(4)S segment, and parallel with that, destinations had to face new challenges (e.g. overdependence from one source market, image problems, negative environmental effects, lack of investments or unemployment). As a reflection, the so called second generation (Chapman – Speake, 2011) destinations try to re-position themselves by various tools, most of the tourism development focus on non-waterbased attractions and activities. These trends are also reflected in the theoretical approach of waterside areas, nowadays the waterside destination includes also land-based activities and non-shore areas (Hall, 2001).

Taking a look at the available tourism services in waterside destinations, we can conclude that waters appropriate for bath has a dominance of summer holiday (including sun and sea) among their image elements (Michalkó, 2007). In order to mitigate the negative effects originated in the strong temporal and spatial visitor flows, destinations are developing water (bath) independent activities and try to integrate non-shore areas into the holiday experience (e.g. development and promotion of cultural tourism in Spain).

### **Tourism demand around the Lake Balaton**

The Lake Balaton and its surroundings is one of the most popular – the number one among domestic tourists – tourism destinations in Hungary. Its recreational history dates back to the 19<sup>th</sup> century, however image has been strongly formed by mass tourism decades. As in the case of other waterside areas, the late 1980s/beginning of the 1990s has brought significant changes with. Guests visiting the area are more and more interested in getting to know the attractions, they look for experiences, and more active holidays. Today’s tourists are much more ‘unconventional’, their mobility often does not follow the traditional path.

### Domestic demand

The data available about tourism demand for the Lake Balaton show new records every year. In order to map trends, this chapter provides an overview about the domestic tourism demand survey for the period 2009–2016 – data collected by the Hungarian Central Statistical Office (HCSO). According to the HCSO, altogether almost 2.9 million domestic overnight trips (20.0% of the total domestic trips by Hungarian population) has been realized in the Lake Balaton area. This means almost 15 million nights spent in the region, resulting an average length of stay of 5.2 nights. Not surprisingly, half of the domestic overnight trips and 60% of the stay (days) to the Lake is realized during the Summer season (3<sup>rd</sup> quarter of the year). Based on this database we can say that the second most popular season is Spring (2<sup>nd</sup> quarter of the year), thanks to the long weekends, Easter and Spring school holiday.

29.4% of the total domestic spending (90.8 billion HUF) ‘goes’ to the region. Taking a look at the last years data, it is quite interesting to see that the number of domestic overnight trips and the volume of the stay (days) is stable since 2014, meanwhile the expenditure shows a significant increase – probably because of the Széchenyi recreation card issued in 2012. *(The number of service providers accepting Széchenyi recreation card and the revenue generated by it shows a continuous increase during the last years, resulting 257 units and revenue of more than 5 billion HUF in the Lake Balaton region in 2016).*

Table 1: Overnight domestic trips to the Lake Balaton (HCSO data)

| Period      | Number of overnight trips | Total stay (day) | Expenditure (1,000 HUF) |
|-------------|---------------------------|------------------|-------------------------|
| <b>2009</b> | 3 450 280                 | 17 638 307       | 75 372 252              |
| <b>2010</b> | 2 902 618                 | 16 216 241       | 74 951 212              |
| <b>2011</b> | 2 882 490                 | 16 141 641       | 73 897 474              |
| <b>2012</b> | 3 029 598                 | 16 845 420       | 79 895 406              |
| <b>2013</b> | 2 667 972                 | 14 824 811       | 82 094 578              |
| <b>2014</b> | 2 829 346                 | 14 967 239       | 93 912 183              |
| <b>2015</b> | 2 821 865                 | 14 607 394       | 91 999 333              |
| <b>2016</b> | 2 879 916                 | 14 867 955       | 90 818 203              |

In accordance with the international tourism trends, the Lake Balaton is a very popular destination also for short visits. This is also reflected in the statistical figures, the share of 1–3 nights trips is 54.9% (35.3% of the stay and 42.2% of the expenditure was generated by 1–3 nights visits in 2016). The period 2014–2016 has

been very successful for the non-summer short visits to the Lake Balaton, the dynamic increase in the tourist volume and expenditure is probably driven by the ‘Balaton Plus’ (‘Nyitott Balaton’) campaign that promotes the services and events during Spring (active tourism) and Autumn (wine and gastronomy). Furthermore, the Széchenyi recreation card had also positive effects during this period. In the case of the 4+ nights domestic overnight trips to the Lake Balaton, not surprisingly, the Summer period takes the leading role, 70% of the tourism demand (both volume and expenditure) is generated during the 3<sup>rd</sup> quarter (including July and August, the peak months). So, although there has been a lot of successful developments in order to attract visitors during the non-summer period, the destination is a cutting-edge summer holiday place for numerous travellers.

Taking a look at the profile of domestic overnight travellers to the Lake Balaton, we can see some important conclusions. Regarding the age groups, the area is mostly visited by the 25–44 years old travellers. During the summer season, the share of the younger age groups is higher (family holidays), meanwhile elder travellers come into focus during the non-summer periods. Middle and higher education visitors dominate the tourism landscape around the Lake Balaton, the importance of higher education travellers is more significant during the non-summer months. Not surprisingly, the data shows the leading role of Budapest and the surrounding regions (Transdanubia) as major source markets for the Lake Balaton. During the summer months, the further regions (Northern Hungary, Northern Great Plain and Southern Great Plain) also play an important role in the tourism performance (realizing summer holidays in the destination).

#### International demand

Unfortunately the published data allows very limited analysis of this segment. But, based on the available figures we can say that the international demand to the Lake Balaton has shown good results during the last years, as well. According to the HCSO data, 1,470 overnight trips were taken to the destination by international travellers. The main source markets for the destination in the year 2016 included Germany, the Czech Republic, Austria and Slovakia.

#### Performance of the commercial accommodation establishments

The performance of the commercial accommodation establishments around the Lake Balaton shows a continuous increase during the last years. This is mainly thanks to the boost in domestic tourism, parallel with that the international demand is characterized by a moderate and volatile change. In accordance with the growing popularity of non-conventional tourism mobility, there is a significant turnover in

other business type (formerly private) accommodation in the region. The market share of other business type accommodation indicates the importance of non-conventional tourism flows.

Table 2: Guest nights at commercial accommodation in the Lake Balaton region (HCSO data)

| Year | Commercial accommodation |           | Other business type (formerly private) accommodation |           |
|------|--------------------------|-----------|--|-----------|
|      | International            | Domestic  | International  | Domestic  |
| 2010 | 1 613 778                | 2 617 888 | 506 204  | 820 728   |
| 2011 | 1 652 782                | 2 665 352 | 481 178  | 794 716   |
| 2012 | 1 711 751                | 2 717 536 | 492 878  | 826 219   |
| 2013 | 1 835 131                | 2 963 812 | 463 914  | 891 660   |
| 2014 | 1 768 649                | 3 180 245 | 484 132  | 979 676   |
| 2015 | 1 746 693                | 3 331 319 | 497 437  | 1 054 905 |
| 2016 | 1 780 146                | 3 671 454 | 531 295  | 1 151 703 |

### Destination management & marketing

The trends and restructuring in tourism demand around the Lake Balaton has resulted new opportunities for development of tourism experiences, services. Parallel with this, the intermediary sector (including destination management) faced new challenges. Priorities for DMOs will change in the future: their budget will support mainly the destination's brand and marketing followed by stimulation of organising conferences and meeting, furthermore social media and search engine optimization. The main focus of the current activities will be different, the decrease of brochures aimed at end customers (travellers), and the transformation of information offices' role will result new challenges for DMOs, as well. These trends will bring new approach for measuring success, as well. In the future, complex monitoring (expenditure, employment, tax revenues) will be in the forefront of stakeholders instead of data of commercial accommodation (e.g. occupancy, RevPar). Measuring visitors' satisfaction (reviews, recommendation, service quality) will draw back the measurement of (paid) media coverage (e.g. news worth, people reached).

Table 3: Transformational opportunities  
(Destination Management Association International – Destination Next, 2014)

| <b>Dealing with new marketplaces</b>  | <b>Building and protecting the destination brand</b>                 | <b>Evolving the DMO business model</b>                                   |
|---|--|--|
| <i>Broadcast to engagement</i>  | <i>Destination managers</i>  | <i>Collaboration &amp; partnerships</i>                                  |
| Technology will significantly alter DMO role                                    | Play central role in advocacy for destination                        | More involved in broader economic-development initiatives                |
| Greater emphasis on engaging customers in two-way conversations                 | Connect visitor experience with residents' quality of life           | Adopt uniform operating standards and consistent measures of performance |
| New strategies to refocus millennial market                                     | Greater role as cultural champion of destination                     | Agree on uniform methodology to measure economic impact                  |
| Market segmentation and personalization   | Participate in building platforms for the visitor experience         | MY DMO will form more strategic alliances outside the DMO industry       |
| Focus on mobile platforms   | Balance need for growth with responsible and sustainable development | Better understanding of economic impact of industry                      |
| My DMO will invest more effort in scanning the market for business intelligence | Play a greater role in policy and product development                | Collaborative technology will be core strategy                           |
|   | My national tourism organization will encourage local brands         | Engage more closely with non-traditional stakeholders                    |

### Principles and Challenges of Digital Marketing for DMOs

We can see how the approach to the market place has changed since the earliest days of marketing. This transition can be seen as going through five stages based on a different concept at the heart of the distinctive approaches:

- *Production concept* – emphasis on producing goods
- *Product concept* – emphasis on producing quality goods

- *Selling concept* – focussed on aggressive selling
- *Marketing Concept* – shift towards targeting the right products to the right consumers
- *Holistic Marketing concept* – emphasising the need to do everything possible to build a relationship between suppliers and consumers.

It is possible that the future will maintain this trajectory and certainly marketing strategies should be thought in holistic terms. The dynamics of the future will however offer new and changing weightings for the distinctive elements in the marketing mix.

Several important principles of digital DMO (Destination Management Organisations) marketing can be derived from technological changes, such as DMO *website*, *social media*, *wearable video technology* and *visual content*. Gretzel and Yoo (2013) summarize the important premises of social media marketing as involving relationship building, focusing on return on engagement, achieving reach through relevance, and carefully establishing and managing reputation (*Tab. 4*). The visual turn in social media also means that DMOs need to think about how to engage and have conversations with consumers through visual content (Gretzel, 2016).

Table 4 Destination Marketing Paradigm Shifts (Gretzel & Yoo, 2013)

| <b>Classic Marketing</b> | <b>21st Century Marketing</b> | <b>Social Media Marketing</b> |
|--------------------------|-------------------------------|-------------------------------|
| Product                  | Experience                    | Relationship                  |
| Price                    | Exchange                      | Return on Engagement          |
| Place                    | Everyplace                    | Reach based on Relevance      |
| Promotion                | Evangelism                    | Reputation                    |

### Conclusion

The future environment for marketing will be impacted on by the changes and trends that can be foreseen and others that cannot be yet foreseen. Lake Balaton destination also should focus on the main global trends related to world tourism issues. The following statements summarize the economic, social and environmental changes of the 21<sup>st</sup> century:

1. It will become ever more important for destination's to maintain their image as a sustainable place to visit by promoting what they do about regarding social, cultural, natural and built resources.
2. Consumers and managers will have greater concerns for safety and security of themselves and their families when making decisions about their choices. This will be an important issue for the hospitality and tourism industries

3. Globalisation will continue to impact on the tourism and hospitality industries, resulting from the global economic-political perspectives influencing the perceptions and expectations of those involved.
4. Climate change and the reactions to climate change will become a more important concern as destinations, producers and consumers develop a greater awareness of the potential long-term consequences of climate change impacts on tourism and hospitality.
5. Marketing will come to reflect the necessity for increased local/regional/national leadership in tourism policy and strategic planning and the development of effective strategic marketing perspectives.
6. Smart tourism will impact on both the modes of communication used in marketing and the type of content that is thought to be appropriate. The education of both users and managers about optimizing the application of new technologies in the tourism and hospitality industries will also continue.
7. The approaches to mobility will impact on marketing. Managers will have to resolve barriers to travel: visas, passports, airline services, fees, refugee movements and delays will have to be addressed in the marketing offers.
8. Marketing should address the understanding of the transformative effect that tourism and hospitality have on the geopolitics of socio-economic progress and the sense of place and identity.
9. Marketing will have to become more effective at addressing the effect on hospitality and tourism from natural/human-induced disasters, health issues, and political disruptions. The ability to comment and contain these situations will be a significant issue for the future of marketing strategies.
10. Marketing will have to address the needs of the changes in tourism and hospitality demand resulting from increased travel by emerging nations.

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The **Balaton Tourism Research Centre** established Autumn 2015 brings together tourism knowledge with practice. As an innovative and high quality centre, following the roots of the Tourism Department's tourism research activity, the BTRC is to play a significant role in education, research and knowledge transfer. The activities encompass the entire tourism value chain, including tourism strategies, analysis of current situation, tourism product studies, destination studies, image studies, monitoring tourism development, local values, and any other relevant tourism topic. The research centre counts also with the active involvement and support from tourism stakeholders around the Lake Balaton and in the catchment area of the University of Pannonia. University students are also involved in the studies conducted by the BTRC that enables future professionals to get a deep insight into the actual issues of tourism.

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