



LEONARDO DA VINCI PROGRAMME

**ECO-ROUTE. – A ROUTE TO SUSTAINABLE RURAL DEVELOPMENT
THROUGH ECOTOURISM LABELLING**

**NATIONAL SURVEY REPORT
HUNGARY**

DRAFT

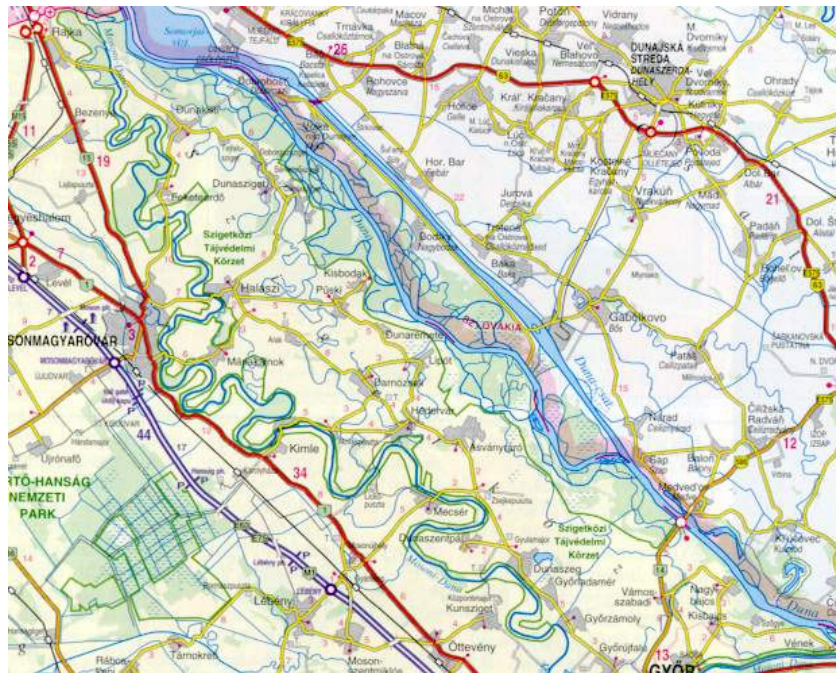
July 2004

INTRODUCTION, METHOD OF THE SURVEY

Szigetköz microregion is the Hungarian pilot area in the Eco-route project. According to the WP3 the Hungarian partner ¹ has made a survey in the area among the tourism related enterprises. The aims of the survey were to provide realistic record of capacities in the pilot area, and to get specific information about the characteristics of eco-tourism related businesses. It was also important aim to assess the feasibility of introducing a labelling system for 1-4 selected activities and services.

25 settlements belong to the pilot area bordered by two Danube-branches and by two neighbouring countries, Austria and Slovakia. More than 60 thousand inhabitants live in these settlements, of which the biggest one is Mosonmagyaróvár with a population of 30 thousand. We estimate the total number of businesses related to all arts of tourism at 200-250 in the region. These businesses are in direct or indirect connection also with the eco-tourism. Our institute has good relation with the entrepreneurs in Szigetköz so we could aim to visit 100 businesses to fill out a questionnaire.

Figure 1: Map of the Szigetköz region



Source: Map of Hungary, 2004.

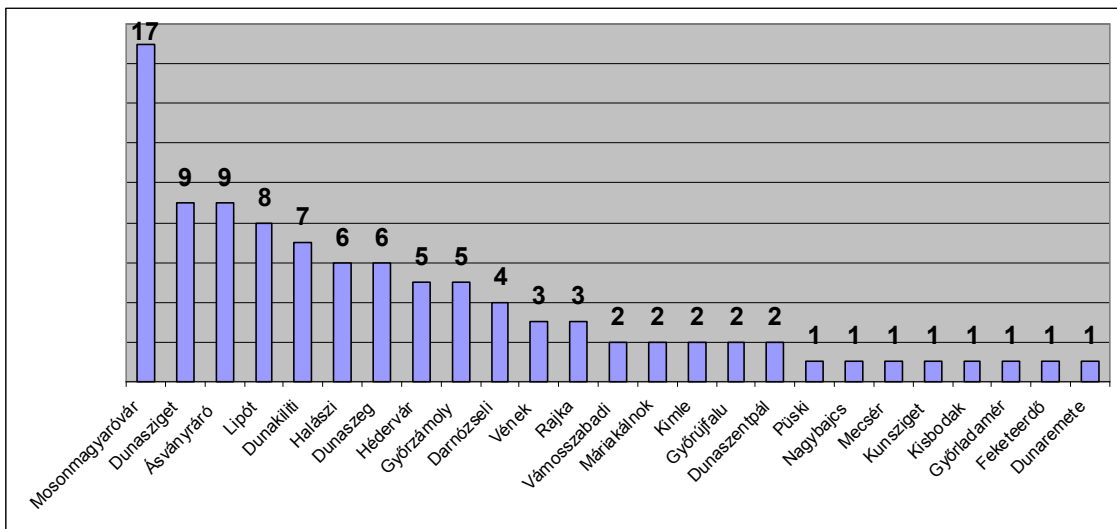
All project partners in English worked out the basic questionnaire. After the translation, we enlarged the form with 9 specific questions relevant to the regions characteristics, so at the end the number of the questions were 27.

¹ The Hungarian partner in the project is West Hungarian Research Institute of Centre for Regional Studies of Hungarian Academy of Sciences ,

OPERATION OF BUSINESSES, ACTIVITY FIELDS

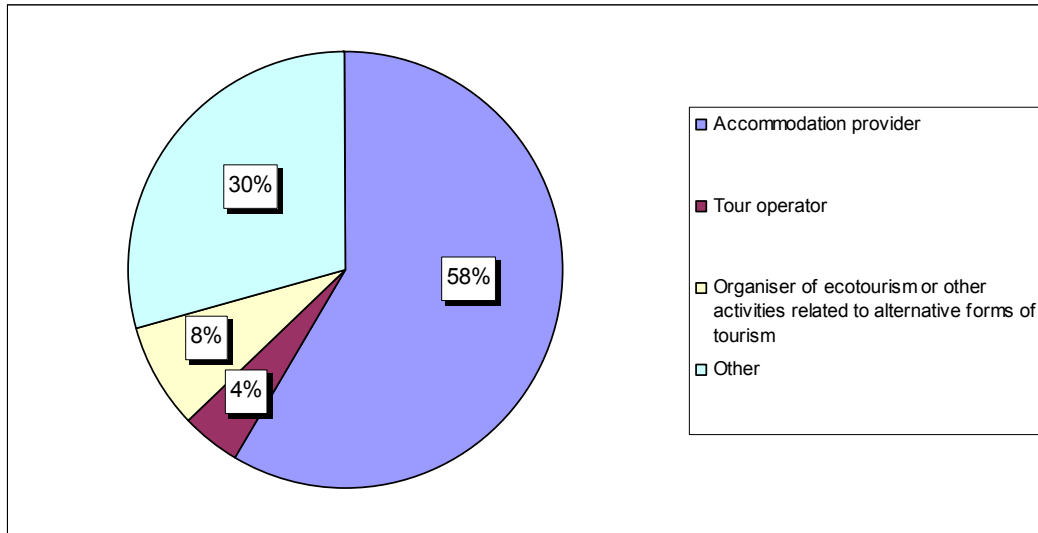
The institute took the survey research in all the 25 settlements of Szigetköz. (Figure 2.) The number of questionnaires is directly proportional to the population of the most settlement. Mosonmagyaróvár is an exception to this, because there lives approximately the half of the region's population, but only 17 percent of the questionnaires was made there. In Dunasziget, Ásványráró, Lipót and Dunakiliti settlements we filled out more questionnaires, because these settlements attract more tourist through their good geographical location and therefore there work several entrepreneurs who are affected by the ecotourism, which was the decisive consideration at the appointing of distribution of questionnaires by settlements. Lipót has a thermal bath, Dunasziget, Dunakiliti and Ásványráró are in the proximity of rivers. Because of this, these settlements draw many tourists.

Figure 2.: Number of questionnaires in the settlements of Szigetköz



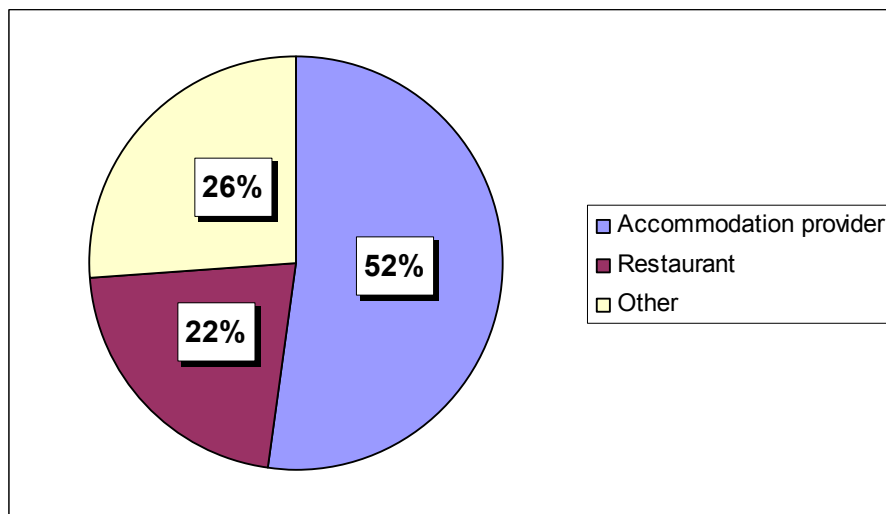
On the question about involvement in tourism (Figure 3.), more than half of the entrepreneurs said, they are accommodation providers (58%), 4% of the entrepreneurs are tour operator, and 8% of them do an ecotourism-related activity or an alternative forms of tourism. By this question, the rate of businesses doing ecotourism-related activities is low, because these values orient to the main activity of the entrepreneurs.

Figure 3.: Involvement on tourism (main activity)



Sorted by individually mentioned activity fields (*Figure 4.*), 52% of the entrepreneurs are accommodation providers, 22% of them run restaurants and 26% of them offer other tourism services. These other services means a wide range of mainly eco-tourism services: riding, fishing, camping, hiking and organizing water sports.

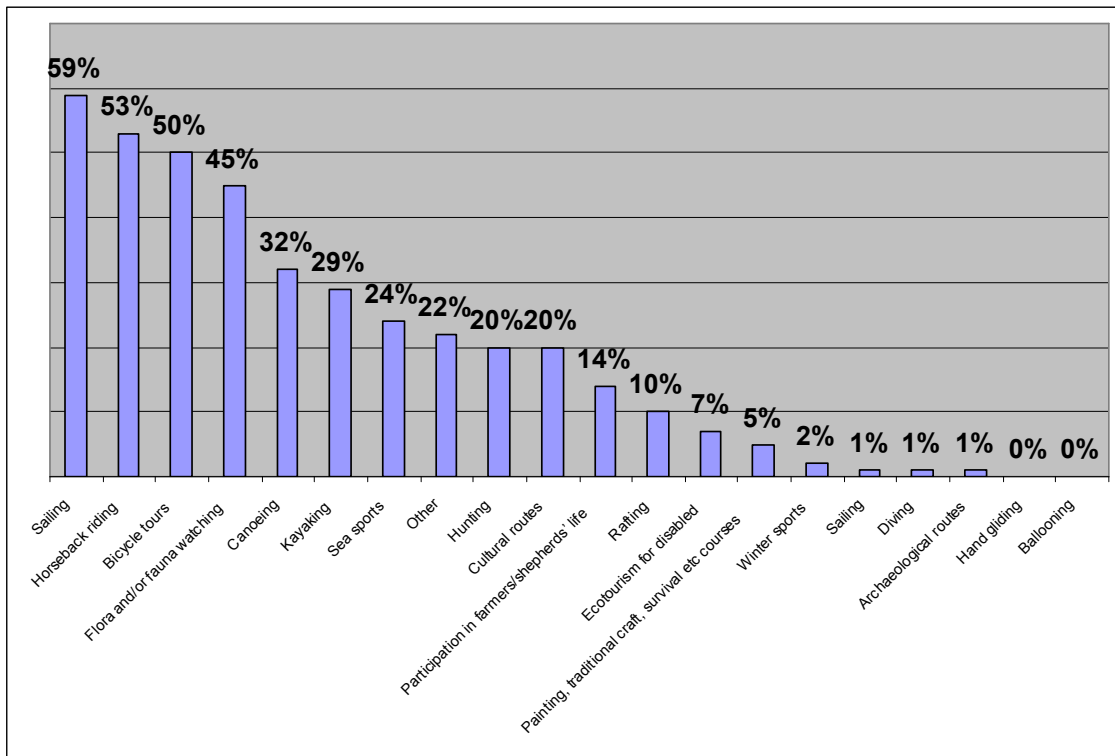
Figure 4.: Activity fields of businesses



We asked entrepreneurs about their ecotourism related services offered by them directly or indirectly. (*Figure 5.*) 59% of the entrepreneurs offer fishing for the tourists, 53% of them offer riding, the half of the respondents offers cycling tours and 45% of them offer hiking. The most of the enterprises offer these services by external partners. It means

that if a guest would like to use one of these services, the entrepreneur can call a well-known partner from a near village, to take care of the guest. Several important services are attached to fishing-lakes and stables, which are popular in Szigetköz. The cycling tours and hiking are organized mainly by well-trained tour-guides and partly by the entrepreneurs themselves. The water sports are also determinative in the region. 32% of the entrepreneurs offer canoeing, 29% of them offer kayaking and 22 percent of them offer other water sports. Twenty percent of the entrepreneurs are connected with hunting in Szigetköz. This business field is very profitable, but it is disputed, whether it is a segment of the ecotourism or not. Twenty percent of entrepreneurs mentioned the guiding to the region’s cultural values as a tourism service, and the 14 percent of the businesses are interested in programs with participation in a farmer’s life.

Figure 5.: Ecotourism related services offered by businesses directly or indirectly

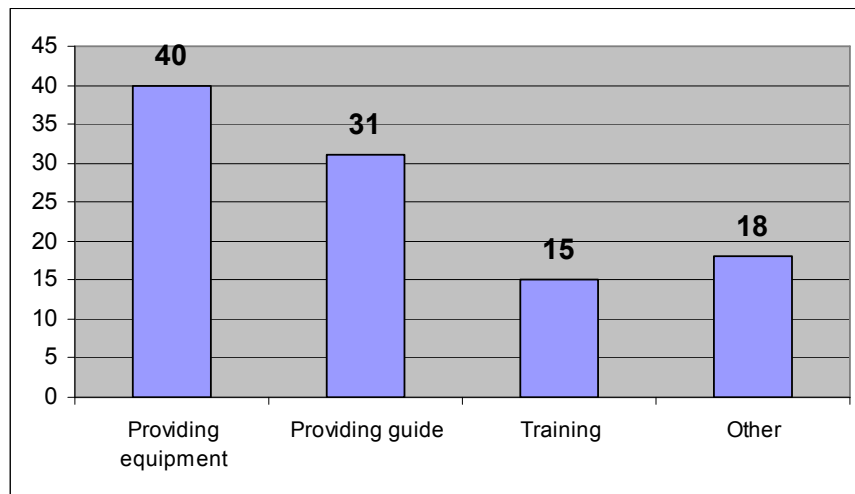


To sum up: in the Szigetköz region the main actors in tourism deal with accommodation providing and running restaurants. Only eight percent of the entrepreneurs offer complete and professional ecotourism services, but almost all of the actors offer these professional services indirectly, as a collateral service. An average entrepreneur in Szigetköz offers 4 services in different ecotourism fields. Nowadays, *the most important ecotourism services are fishing, riding, cycling, hiking and the water sports.*

ANALYSIS OF THE ECOTOURISM MARKET

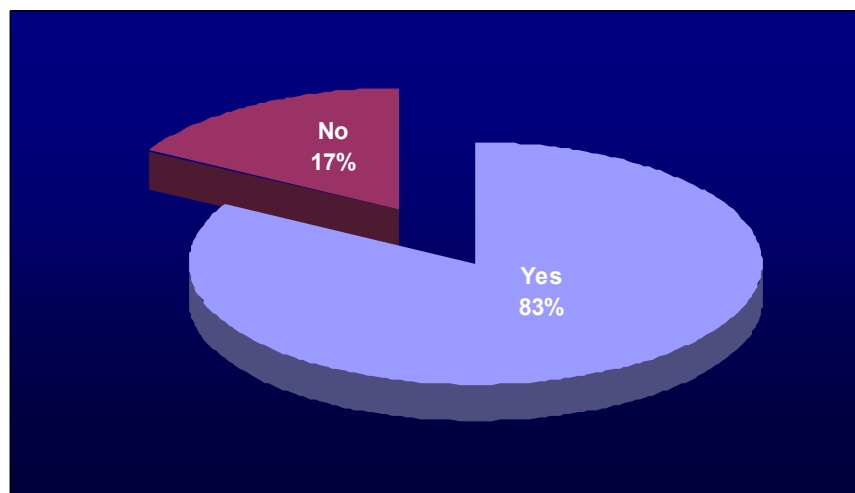
As a support for guests in ecotourism related activities, entrepreneurs provide equipment, training, guidance or other services (*Figure 6.*) 40 percent of the entrepreneurs provide equipment (sport-, line-fishing- and cycling-equipment), 31 percent of them provide guide (sport-related, cultural or other), 15 percent of them offer training (mainly sport-related) and 18 % ensure other services.

Figure 6.: Support for guests in ecotourism related activities (%)



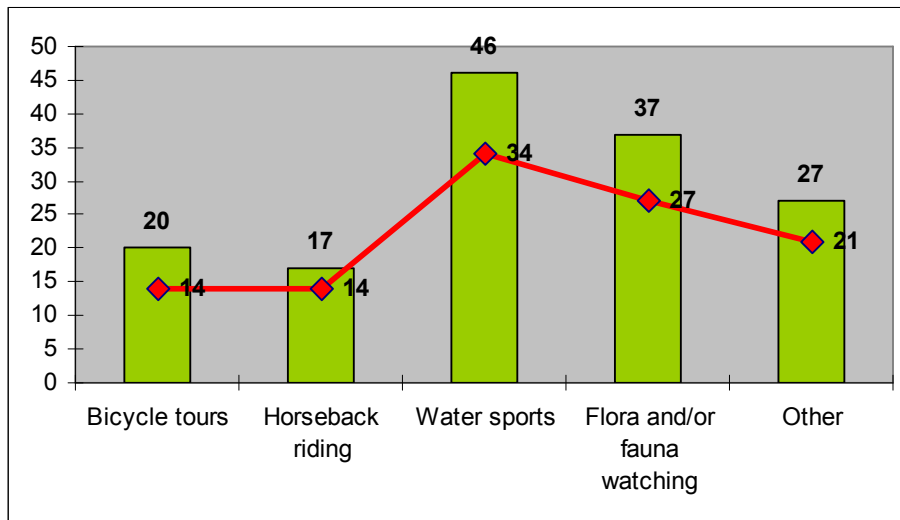
We asked entrepreneurs about their opinion on the guests' need for ecotourism (*Figure 7.*). 83% of them declared that tourists need ecotourism. Mostly those entrepreneurs told that there is no need for ecotourism, who are interested in services for drivers or other 1-day guests (cyclists).

Figure 7.: Guests' need for ecotourism



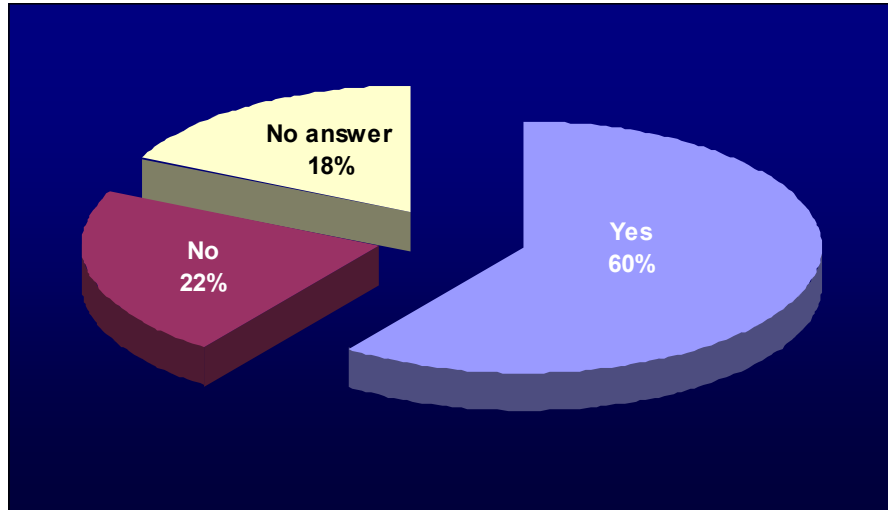
Looking into the customers need for certain ecotourism activities (*Figure 8.*) we can describe a relative high interest in water sports (46%) and flora or fauna watching (37%). Flora and fauna watching includes hiking also. Less entrepreneurs mentioned the need for cycling (20%<50%) and need for horseback riding (17%<53%), than the number of entrepreneurs who offer this services directly or indirectly, which means that this market-segments are running but they are saturating. The eligibility of infrastructure for the above activities is huge, two-third of the affected entrepreneurs are satisfied, but they also scarified the present footing. In the opinion of the entrepreneurs, the well-established cycling routes and the valuable services are the most positive factors. The negative considerations are the slight choice of recreation and sport possibilities in contempt of the high demand on sea sports, fishing and better standards at accommodations.

Figure 8.: Need for certain ecotourism activities and the eligibility of infrastructure for them



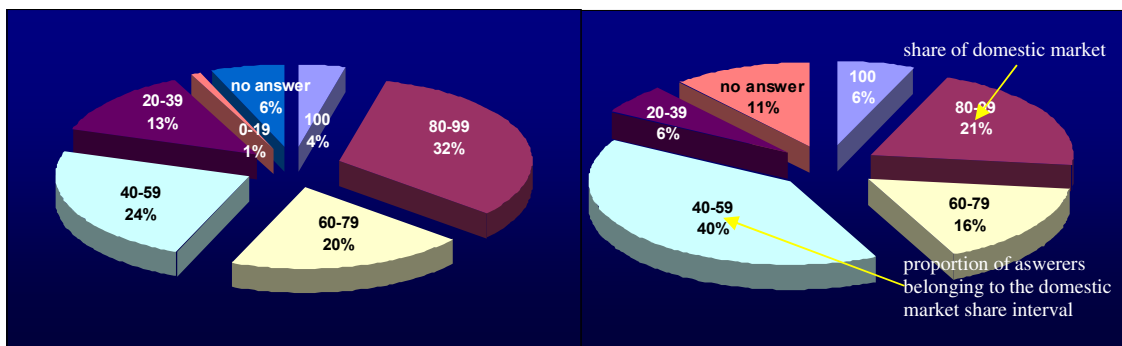
60% percent of the entrepreneurs told that they have interest in expanding their business to support (other) ecotourism activities, furthermore 22 percent of them reported no will and 18% of them could not answer the question (*Figure 9.*) The „yes” answerers want to let out the level of their accommodations, and partly the level of their services. The „no” answerers typically do not want to let out the range of their services, and some of them want to end their operation in the near future.

Figure 9.: Aim to expand businesses with ecotourism related activities



In the comparison of the present and aimed shares of foreign and domestic market, 56% of entrepreneurs told that more than 60% percent of their market is domestic (within at 36% of answerers was the share of domestic tourists higher than 80%), but only 43% of them aim the domestic market in more than 60% share in the turnover (within only 27% of the answerers aim higher than 80% share of the domestic market) (Figure 10.). It means that the entrepreneurs would like to turn to the foreign market and attract more foreign visitors. The reason for this partly could be the higher spending of foreigners, mainly Austrian and German tourists partly the (currently) limited Hungarian demand on the rural tourism and on the domestic ecotourism related services.

Figure 10.: Present (left) and aimed (right) share of foreign markets (intervals mean the share of domestic market)

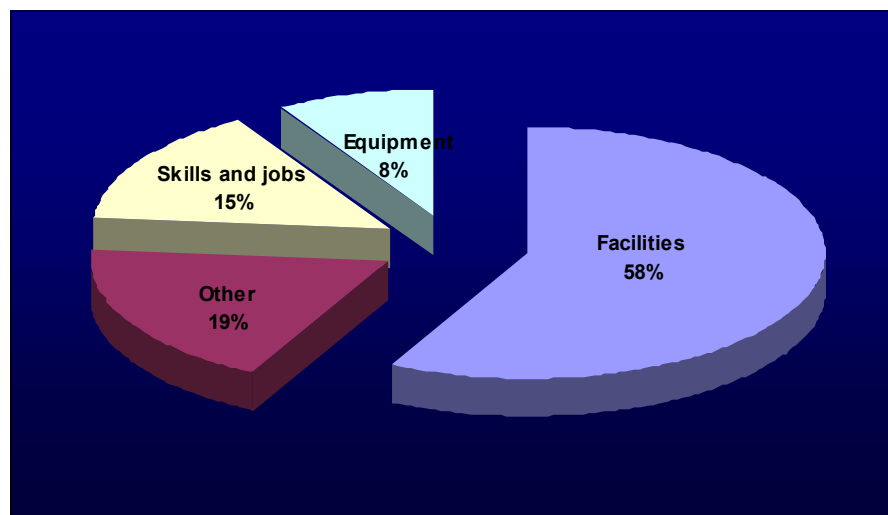


To sum up, there is an increasing demand on ecotourism services in the Szigetköz region. The scale of services is satisfactory, but both the quality of services and both the infrastructure have to be developed. There is a need for well-trained tour guides and better equipment-supply at relevant accommodations and at the service points. Entrepreneurs want to develop their businesses in the field of ecotourism, but they better turn to the foreign market than to the domestic one.

RECOGNITION AND ACCEPTANCE OF LABELLING SYSTEMS

The knowledge of entrepreneurs about labelling systems at all comprises the knowledge about labelling systems in facilities (58%), skills and jobs (15%), equipment (8%) and other (19%), mainly catering-related labelling systems (*Figure 11.*) In the Szigetköz region, the labelling system with sunflowers for accommodations is functioning well and this system is widely spread. It has respect and it is relatively well known by the tourist. Entrepreneurs mentioned that they heard about other labelling systems (skills, equipment), but their knowledge about the functioning of the above is deficient. We have to remark that entrepreneurs do not make a difference between labelling systems and quality management systems at all. The mental constitution of entrepreneurs in Szigetköz prefers to join labelling systems but the price can be a serious constraint.

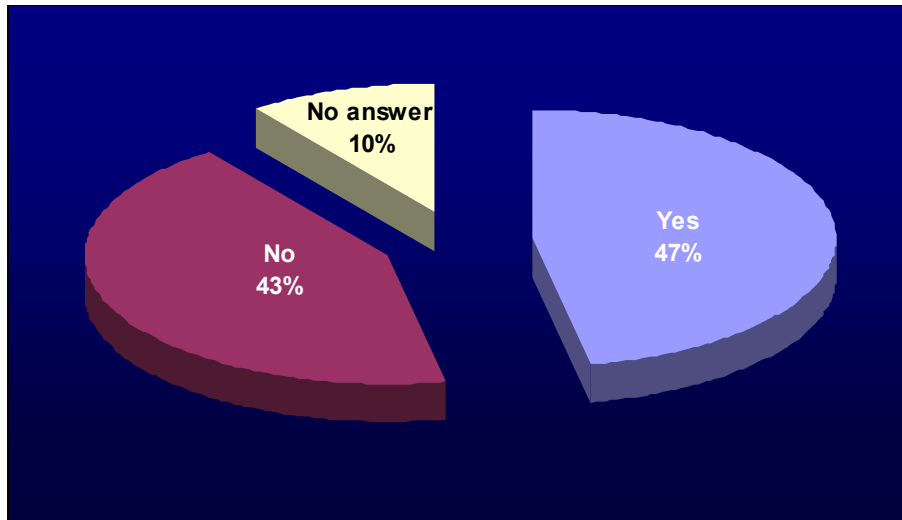
Figure 11.: Notoriety of different labelling systems



On the grounds of survey data, 55% of the entrepreneurs are of a mind that there are well-trained tour guides in the Szigetköz region. Tour guides for different activities (kayaking, canoeing, riding, hiking etc.) are common, but not all of them are well trained. It shows a scantiness of the ecotourism in the region.

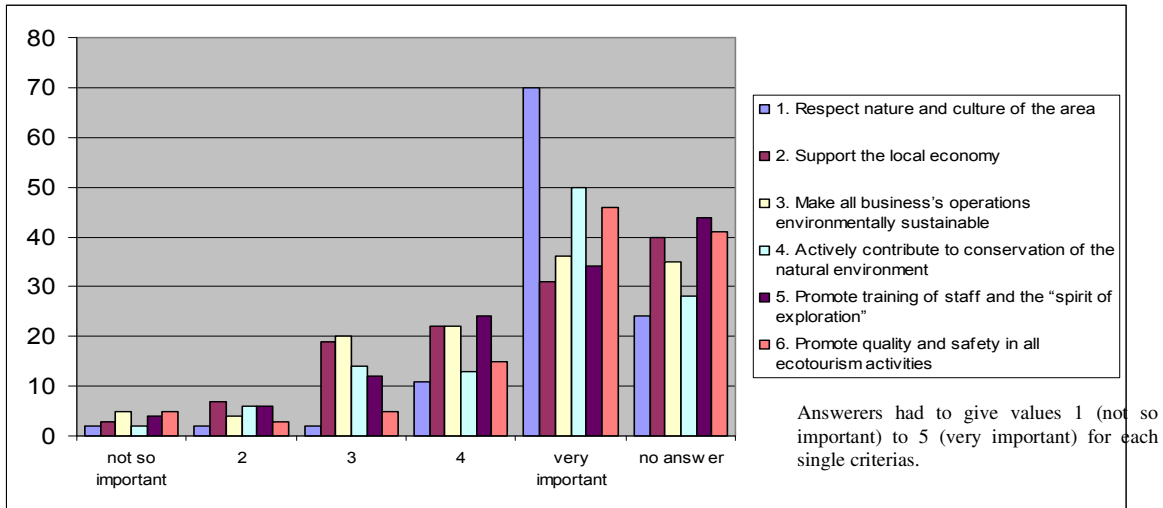
The aim to participate or send an associate worker to a training course is relatively high, 47% (Figure 12.), so we affirm that these entrepreneurs want to invest in knowledge for a long term. Huge groups who do not want to take part in trainings rely on the professional practice they have or want to quit the market.

Figure 12.: Aim to participate in training courses



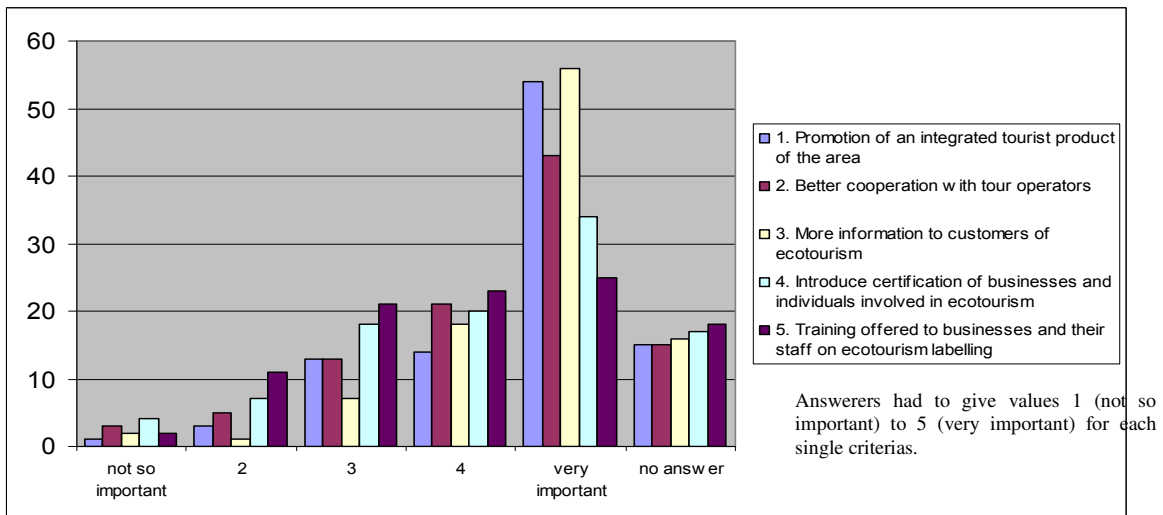
For a possible labelling system, at qualifying ecotourism related activities, entrepreneurs did not really choose criterias which could determinate the system. (Figure 13.) 70% of them gave a very important record for criteria „respect nature and culture of the area”. Other criteria were ranked between 30 and 50% to the very important category. The support for the local economy and the environmentally sustainable running of businesses were found relatively less important criterias. Reason for these results is the deficient knowledge about the initiation and running of such systems.

Figure 13.: Importance of criteria for a possible labelling system in the ecotourism



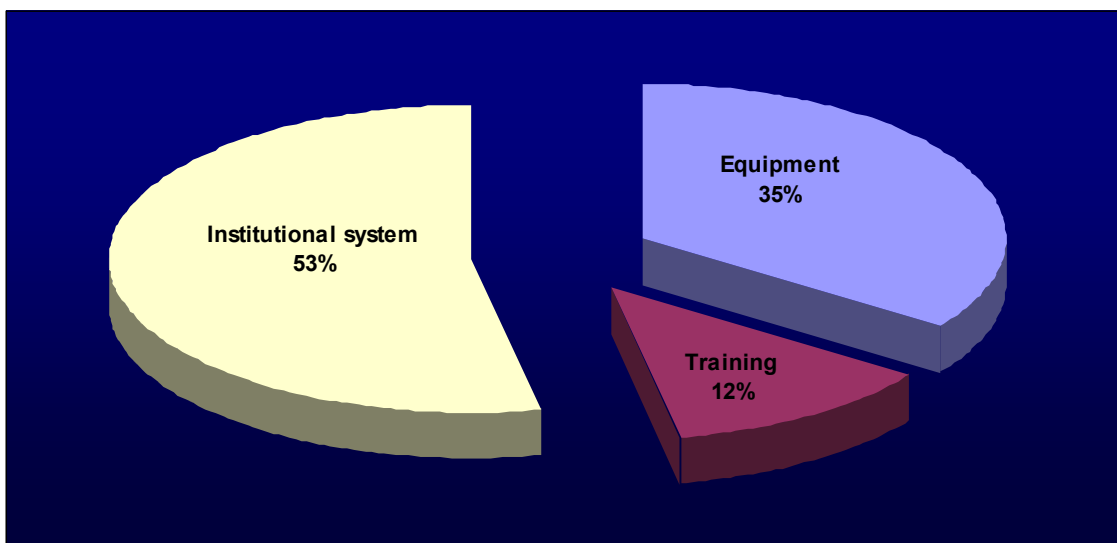
Ranking the criteria to get Szigetköz a recognized ecotourism destination, brought results similar to the above ranking. The willingness to promote and develop the area is clear, but the right path to the realization of this aims is not clarified. (Figure 14.) The most important criteria in this context were the promotion of an integrated tourism product of the area, the better cooperation with tour operators and giving more information to guests about the ecotourism. Training issues and certification were ranked as less important. The comments of the asked persons showed that marketing (own contribution and institutional implementations also) was deemed to play a key role in the development of the area.

Figure 14.: Importance of criteria to get Szigetköz a recognized ecotourism destination



53% of the entrepreneurs, who would like to scatter ecotourism activities in Szigetköz, said that interventions have to be taken in the institutional system (Figure 15.) 35% of them said, that equipment supply should be developed and 12% of them call for better training for entrepreneurs. Suggestions related to the institutional system were mostly raising of local problems in the own village or in the next villages. It was a common understanding that the marketing tools and practices should be expanded, both by the business sector and by the state. Other common suggestion was that local government should pay more attention to the up-keeping of services (shower bath, garbage-collection, mosquito-rarefy etc.) at river coasts. Better equipment supply and better infrastructure of the businesses were useful for the wider community also. Training was also mentioned as an important factor for scattering ecotourism in the region.

Figure 15.: Opinions about scattering ecotourism in Szigetköz by intervention fields

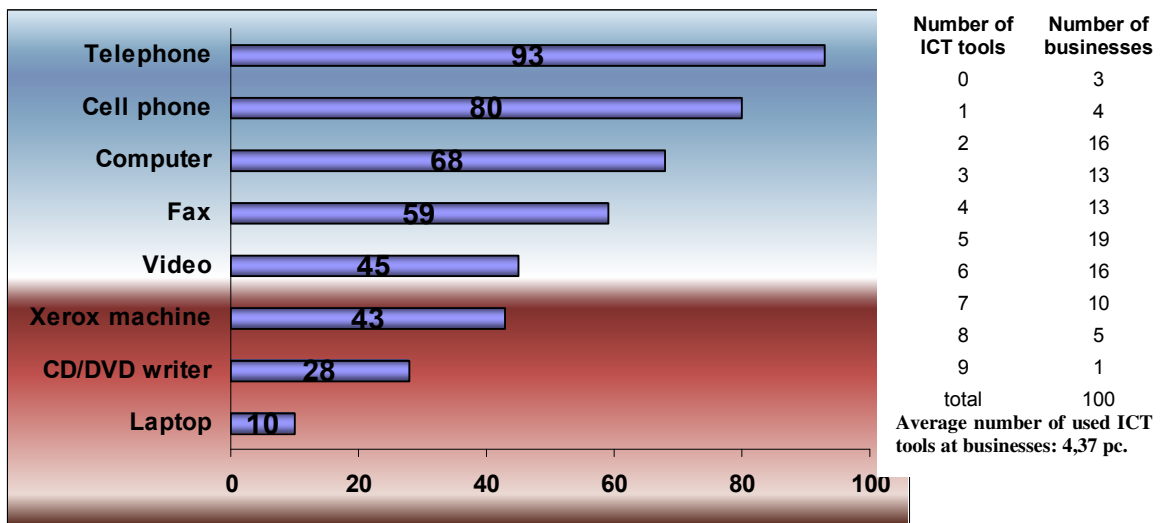


To sum up, the hoary, traditional quality systems are widely known and entrepreneurs want to use new quality management too, but most of them have never heard about ecotourism quality systems, only in the scope of rural tourism. There is only a sign of aims to take part in trainings toward the implementation of a new labelling system in the ecotourism. Entrepreneurs have no clear expectations about a labelling system, the ranking of criteria of such systems were not definite. At an another question, all of the most important 3 criteria to get Szigetköz an ecotourism destination hang together with the running of information and implementing marketing tools and practices. Even in their opinions about scattering ecotourism was the above factor determinative, next to the factors of level of services offer by the local governments and businesses in the region.

INTERNET, ICT, COLLECTIVE BODIES AND STAFF

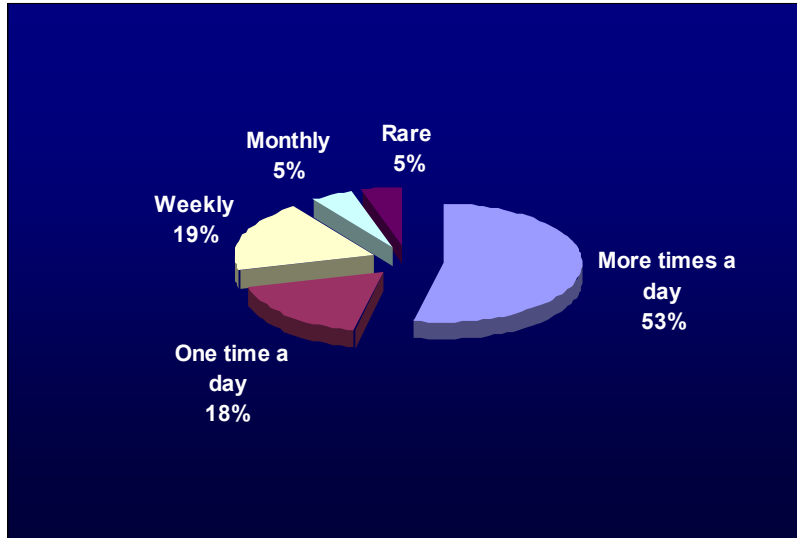
The businesses in the region are technologically advanced. Most of them have modern telecommunication accessories and computerized infrastructure. 93% of the entrepreneurs have a phone, 80% of them have a mobile phone and faxes (59%) are also common (*Figure 16.*) Spreading of computers (68%), notebooks (10%) and CD-writers (28%) could be possessed as a middle-grade: two-third of entrepreneurs has the know-how about computer literature and usage. The average number of used ICT tools from the list (*Figure 16.*) is 4,37.

Figure 16.: ICT equipments of businesses



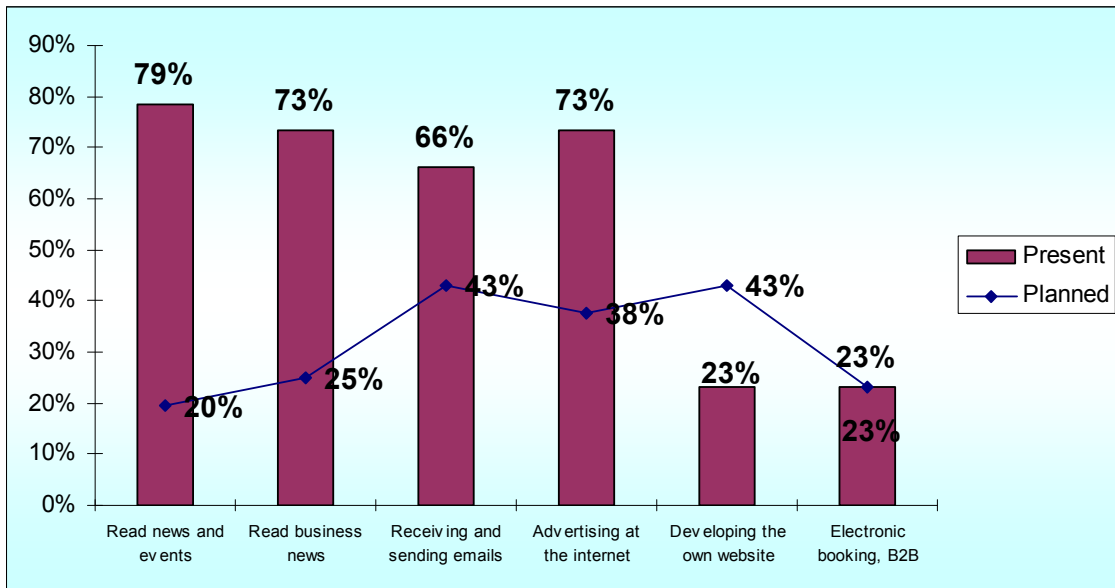
On the grounds of the questionnaire survey, 56% of the entrepreneurs use internet on regular basis. 53% of the users surf on the net several times in a day, 18% of them use it at least once in a day. These results show that most entrepreneurs have the possibility to take part in networking activity, but many businesses could be excluded from this chance too. Internet users surf the Net frequently, but other people have very defective knowledge about the functioning of the internet. We expect that advantages of Internet use will stimulate its spreading but some less-trained actors will have difficulties with it.

Figure 17.: Frequency of Internet use among Internet users



Most entrepreneurs use Internet to read news and business offers, to send e-mails and to place ads (*Figure 18.*) In the future, many entrepreneurs would like to enhance emailing (43%), to advertise on the Net (38%) and to develop their own website (43%). Business considerations are dominant in the use of Internet and the owners are determined to develop their marketing activity, build more websites and place more ads on the Net.

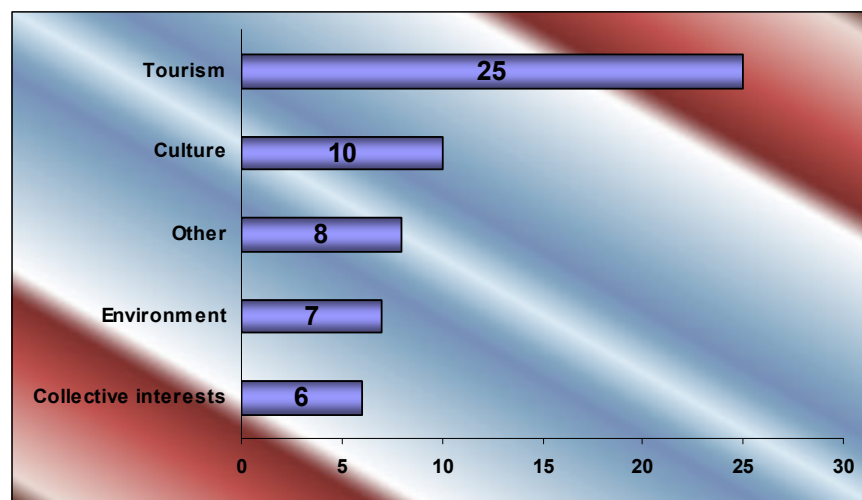
Figure 18.: Present and aimed objectives of internet use



Next to the Internet (63%), the second often used advertising instruments are the brochures of TourInform (63%), which has offices in all of the bigger settlements nationwide and it has a network and international marketing partners too. Marketing tools like ads in other tourism brochures (57%), ads in newspapers or magazines (40%) and advertisement tables next to a road (37%) are also beloved. Lack of the resources manifests in the frequency of advertising: only 6% of the businesses run ads abroad permanently, 12% of them yearly and 4% monthly. We can state that Internet and travel agency issues are the most important advertising fields.

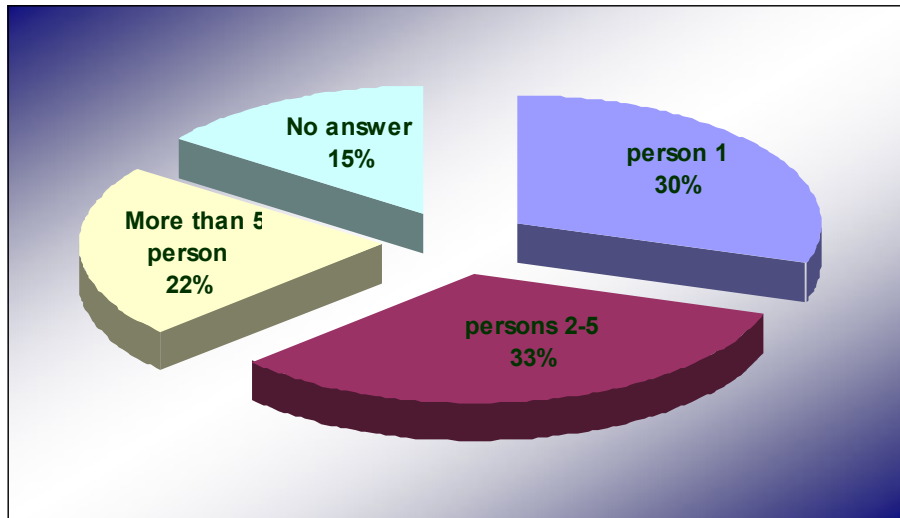
Entrepreneurs in the Szigetköz region feel a common fellowship and almost everybody would like to assist in the development of the region, but their desperation and their resources are often limited. 60% of them do not have any membership in relevant fellowships. The Rural Tourism Association of Szigetköz is known by the 62% of the entrepreneurs, but only very few businesses have a membership in it. The most collective bodies, in which the entrepreneurs or businesses have a membership, are functioning in tourism related activity fields (*Figure 19.*), like tourism (25%) or culture (10%).

Figure 19.: Participation in certain types of collective bodies (number of businesses)



Looking at the number of staff, 30% of the businesses operate only with 1 person (*Figure 20.*). 33% of the businesses operate with 2-5 persons and 22% of the businesses employ more than 5 persons. 15% of the businesses did not answer on this question, likely small, 1-person businesses. Family help is very typical at all of the businesses. In the winter season, entrepreneurs offer less services and in the other seasons services are wider. In summer time, some entrepreneurs employ additional, seasonal workers. The survey showed that the tourism sector in Szigetköz is able to occupy a big number of staff: the whole number of businesses, which employ more than 5 persons we estimate at 50.

Figure 20.: Businesses by staff number categories



On the grounds of the survey, 82% of the businesses run throughout the year, and only 18% are seasonal alone.

To sum up, businesses in the Szigetköz are technologically advanced, they have sufficient equipment and know-how to take part in networking, but some entrepreneurs could have difficulties too. Internet subscribers surf the Net frequently. Internet is the most important marketing tool, next to the ads in different brochures. Entrepreneurs have a common solidarity, despite of this, collective bodies count very few members. The survey showed that businesses in the tourism sector are able to employ considerable number of staff related to the size of the labour market in the region, but 1-person or family businesses are also typical. Most businesses run throughout the year and beyond in summer time, activities are much more intensive.

CONCLUDING REMARKS, SWOT ANALYSIS

The survey has achieved its aim to estimate the demand for eco-tourism and to characterize the businesses, which deliver it. Basic enterprises in the tourism are the accommodation providers and the restaurants, and there are also some enterprises working directly in the eco-tourism. In addition, almost all the businesses offer directly or indirectly eco-tourism related services. Mostly liked eco-tourism activities are fishing, horseback riding, biking, flora and fauna watching and water sports.

Results regarding to the feasibility of a labelling system in the eco-tourism are uncertain. There is a good sense of entrepreneurs to join such a system, but they do not really apprehend the importance, the costs and the benefits of it. Entrepreneurs care about the infrastructure, the equipments and the level of communal services but they do not make efforts to participate in trainings. The approach of entrepreneurs concerning training issues has to be changed, because without training courses they cannot develop eco-tourism market in substantive degree. At working up training programs, we have to take into account the seasonability of the eco-tourism: for many seasonal workers it is a second job only.

Eco-tourism sector in the pilot area needs general and target group training programs, which also would enhance the feasibility of the initiation of a labelling system.

Table 1.: SWOT analysis of the eco-tourism sector in Szigetöz

Strength	Opportunities
<ul style="list-style-type: none"> • good experiences in using labels to qualify services • rich natural and cultural heritage • high number of innovative and well equipped service providers • well known destination • easy accessibility • protected area with rich flora and fauna • bicycle road through Szigetköz 	<ul style="list-style-type: none"> • realise general and target group training programs • boost marketing • initiate labelling system in eco-tourism • reorganise institutional system • offer unique services • find out niche markets with high added value • to establish the nature park in this area
Weaknesses	Threats
<ul style="list-style-type: none"> • defective communal/business services for ecotourism • lack of programmes, events • many entrepreneurs do not realize the importance of trainings and ecotourism labelling system • local civil organisations are weak • lack of local development agency 	<ul style="list-style-type: none"> • entrepreneurs let pass opportunities in several issues regarding eco-tourism • unplanned development • overuse of natural resources • stagnating market • weak partnership with similar and neighbours areas