

**SZENT ISTVÁN  
EGYETEM**

**THE ROLE OF TOURISTIC COOPERATION  
IN TOKAJ WINE REGION**

Theses of the PhD dissertation

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# 1. INTRODUCTION

## **Actuality of the subject and raising questions**

Developing sustainable and competitive tourism is a worldwide trend and in countries interested in tourism – such as Hungary – creating a destination management oriented tourism amelioration got high priority as part of it. The emergence of the system in our country is connected to Hungary's accession to the European Union (EU). The creation of an organizational structure of tourism destination management was highly important in the National Tourism Development Strategy (NTS) between 2005 and 2013. The National Tourism Concept (NTC) considers the strengthening of the domestic institutional structure as a priority development area for the time period of 2014-2024. However, several questions can be raised about the long-term sustainability of the organizations, their territorial coverage and actual activities. Since its inception a decade has passed, the organizations have got a lot of operational and other experience but the researchers have not paid enough attention on assessing and organizing this experience so far. I believe that for determining the future development guidelines it is important to gather all practical experience and opinions and then analyze the results achieved so far.

In recent decades significant economic and social changes have taken place which had significant impacts on rural areas. The agriculture's role in economy and job opportunities has declined, unemployment has risen in many areas, population has decreased, emigration has grown and many other drawbacks characterize rural regions today. The Hungarian and EU level rural development policies place great emphasis on the catching up of lagging peripheral, less-favored areas whereupon economic diversification got high priority and they are focusing on complex developments based on endogenous resources. Also, the touristic value of the agricultural landscape has slowly come to the fore. The Tokaj Wine Region is one of the most famous and – in my opinion – most beautiful Hungarian wine region, which is, on the other hand, a disadvantageous rural area. Despite the economic and social problems of the region, tourism is considered a breaking point by the various regional operators, as revealed from my preliminary researches. The Hungarian government announced that the development of the region will get high priority. I find it extremely actual to explore the needs and opinions of the participants and consumers of the wine region. Many significant and efficient developments could be done in the European budgetary season between 2014 and 2020.

Numerous theories featuring the TDM structure pair many advantages to cooperations but can they practically be operated in a rural area? In recent years, I am not aware of any research that examines the cooperation in wine regions in

the light of the opinions and experiences of operators and other participants. Another interesting question is whether all participants of the Tokaj Wine Region could oversee, detect and evaluate the cooperations or more precisely the role and advantage of TDM organizations - or the community activities are forced to take an inescapable path all the time? In my opinion, the knowledge of the needs and expectations of tourists can greatly assist touristic development of the wine region. The question is how consumers judge the Tokaj wine region, what characterizes the touristic perception of the wine region, how satisfied the visitors are with tourism and other conditions, what improvements would they welcome.

### **The goals and initial hypotheses of the PhD thesis**

After outlining problems, a number of research directions were formulated. Although the national destination management activity is still not stretched far to the past, I think it is very important to gather practical experience and further opportunities from the last decade in order to draw conclusions, supporting the future development of the organizational structure dimension to be identified. One of the aims of my dissertation examined the spatial distribution of the performance of domestic tourism and then assess the overall condition of the domestic destination management system, get to know the background of the operating organizations and their experiences with tenders, measure their member's activity and willingness of cooperation and examine how the organizations see their sustainability, which are the most important tasks under the current conditions. An important objective of the dissertation is to explore whether the destination organizations have wider impact on rural economy, how could we measure that and then evince the effectiveness.

The territorial focus of my PhD research is the Tokaj Wine Region where tourism is considered as a breaking point, helping social, economic and other problems. Amongst my goals are to discover what regional disparities were prevalent in the Tokaj wine region, which settlements belonged to the most significant destinations from the perspective of tourism. In addition to analyzing the statistical data I am focusing on the recognition of practical results. Based on preliminary research, I chose the Tokaj-Hegyalja, Hernád Valley, Taktaköz Tourism and Cultural Association. Some of my main objectives were to gain insight to the practical life of the cooperations in the wine region in the light of the opinion of tourism service providers and councils, get to know the organization's operational mechanism and explore the future possibilities of tourism in the wine region. As I already stated amongst the problems, I think it is important and consider it as a priority to recognize the needs and expectations of tourists in order to promote future development of tourism in the Tokaj Wine Region. In my doctoral research I asked the consumer segment in a survey about their opinion, comments, ideas and needs. I strive to know the opinion of the

local government, service providers in tourism and consumers. Then I would like to compare these opinions and set directions for future development.

I formed the following hypotheses:

1. On the basis of my goals and according to my preliminary research I think that
  - In the creation of the domestic destination management organizations in addition to self-development tender opportunities played an important role as well
  - Most of the destination management associations question the long-term sustainability of the national system and the cooperation between themselves
  - The same problems are present in the examined destination organization in the Tokaj region so the association does not play the role it was created to.
2. I assumed that significant regional disparities are typical in the tourism sector at the level of municipalities both nationally and within the Tokaj wine region.
3. I expect that the destination management organizations have an impact on the social and economic life of rural areas, but due to accounting difficulties and shortcomings, the level of different effects appear only indirectly.
4. In addition/despite to the operation of destination management associations the touristic performance of the Tokaj Wine Region is not uniform, and on the basis of statistical data significant change is not detectable in the examined period of time.
5. My preliminary research indicates that it is likely that the majority of the average consumers of the Tokaj wine region clearly link this tourist destination with the sweet and noble wines.
6. Finally, I assume that an agreement can be detected in defining the development trends affecting the Tokaj Wine Region among tourism operators, municipalities and consumers, while the coordination of real co-operation is missing.

In the following section I discuss the methods used during the research, will present my main results, summarize the new and novel scientific findings and conclusions and finally, formulate recommendations for the different participants.

## 2. MATERIALS AND METHODS

In my dissertation I aimed to find out which regional inequalities are typical in the performance of domestic tourism, which settlements belong to the most important tourist destinations and I have examined the ranks of the settlements in the Tokaj wine region within the country separately. I chose 2 basis years for my research. The first is the year 2003 which was the year before our nation joined the European Union, when the development of the destination management structure was not yet officially set. Secondly, I chose 2012 because the statistical data warehouse was the most complete in that year and destination management organizations were working actively by then. I set a goal to investigate regional inequality nation-wide on the settlement level, specifically the Tokaj wine region from demographic, economic and tourist viewpoints. I used the Hoover-index for calculating. From data available in the TeIR and KSH databases a total of 28 indicators were compared to the municipalities permanent population. I calculated the Hoover index with the involvement of Budapest, but due to its significant distorting effect I eventually left it from the final analysis. In my opinion, the tourism industry is concentrated in a few settlements despite the operation of destination organizations. In the case of the Tokaj wine region I wanted to examine the inequalities in tourism, as well as the touristic role of Tokaj and outstanding cities.

The first step of the primer research was to create a nation-wide survey. The destination organizations with registration numbers (85) at the Ministry of National Economy were enrolled in my research. The 25-question survey addressed the general operating data of the organizations, their number of members, the composition of members, their budget, their member's willingness for co-operation, the membership fee payment discipline, tender activities, sustainability, effects on the rural economy, and factors promoting the organizational system. The survey was made up of 2 parts. All organizations were asked in the first part while the second part was only for the destination associations located in wine regions. Eleven questions were asked in the second part about ideas regarding wine, tourism, programs and the economic impacts of wine tourism.

27 settlements belong to the Tokaj Wine Region, which is a disadvantaged rural area, facing many economic and social problems; however, it has plenty of tourist sites and facilities. Locals believe tourism is a breakout point, many destination organizations operate in the area and the government declared the region a priority development area for the 2014-2020 EU budgetary period. These facts strengthened my exploratory decision.

The main profile of the operation of the Tokaj-Hegyalja, Hernád Valley, Taktaköz Tourism and Cultural Association is creating and operating a unified

wine tourism; the strategic and promotional objectives include the coordination of wine tourism; and members related to wine dominate the membership, this is why I chose this organization as subject of my investigation. My goal was to learn about the association's operation and efficiency from member's perspective. I explored the touristic judgement of the wine region, the areas in need of development, the ideas, experiences, expectations and requirements regarding the association.

My goal was not only to get to know the service providers' side within the membership, but — I considered it important to know the opinions of governmental officials, especially as someone involved in complex development of rural areas, about the endowments, possibilities and opportunities for development of wine tourism as well as their point of view about tourism cooperation and about the role and operation of the organization. I visited the local governments of 22 settlements out of 27 and, by using another survey, I assessed how the mayors see the situation of tourism in the wine region and how they evaluate the operation of destination organizations.

In my thesis I emphasized repeatedly how important it is to know the opinion of tourists, of which a number of new ideas, directions of development can be defined. Along this I took serious efforts in my research to get to know the opinion of the wine consumer society. I focused on the wine tourism and wine in Tokaj with specific regard when creating the new survey. I started the questionnaire - weighing up the pros and cons - electronically by using the snowball method. The questionnaire starts with questions about general wine consumption and then it gets divided into sections depending on whether the respondent had already been to the Tokaj Wine Region. Those who have not been to the wine region, I compiled such questions through which I can get to know what ideas, plans, preliminary views do they have in relation to the wine region, and I found it important to explore what services would interest them the most. The other group of respondents represent those who have already visited the region at least once and have some experience, so they can form opinions about the touristic values and various services of the Tokaj Wine Region. In addition, I tried to identify what possible improvements, new features would they welcome in the future.

Further concrete results will be presented in detail in the following.



### 3. RESULTS

#### 3.1. Regional disparities on the level of domestic settlements

During my research I assumed that significant regional differences are present in our country regarding tourism. According to the Hoover index, I studied the extent of regional inequalities that can be detected on municipal level in Hungarian tourism.

In the test I compared the regional distribution of the various socio-economic characteristics to the spatial distribution of the population<sup>1</sup>. A total of 28 variables were included in the studies, such as demographic, economic, tax and tourist information. The Hoover-indexes calculated along various features are summarized in a table, so here I simply sum up my most important results regarding regional inequalities due to limited space.

Overall, we can establish that the Hoover-index has remained below 25% in the case of the permanent population of settlements compared to demographics, housing and automobile stocks, the number of registered unemployed, personal income tax characteristics, local tax revenue, local business tax, as well as the number of operating businesses both in 2003 and in 2012. Significant regional disparity could not be detected with these indicators compared to the permanent numbers of population. However, significant differences stood out of tourist information. I analyzed regional disparities in tourism in the doctoral thesis in detail, pointing out the settlements which distort the regional distribution of the indicators related to the performance of tourism the most, so which are the most important touristic destinations. In the following I will analyze the Hoover-index of a touristic indicator compared to the permanent population in detail.

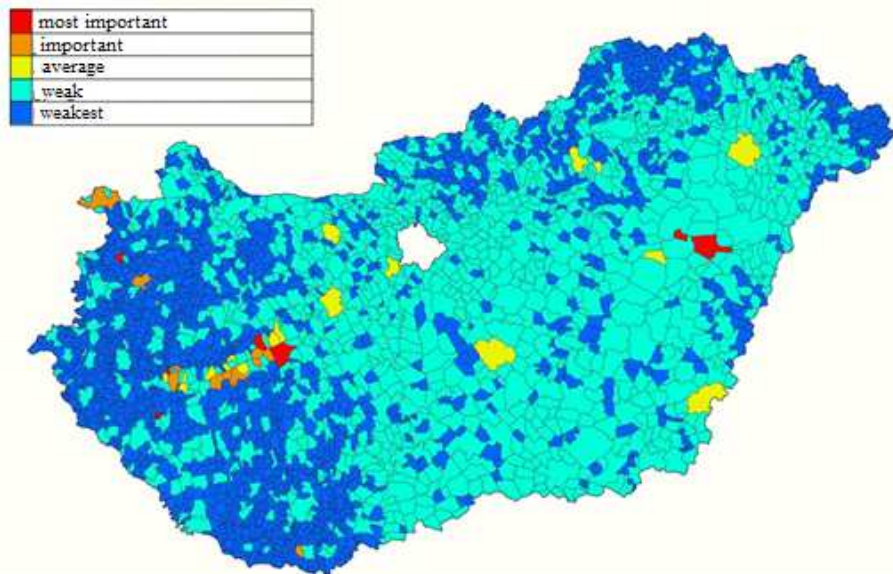
When the total number of guest nights in every kind of accommodation are compared to the permanent population numbers, the Hoover-index value was 63.72% in 2003, thus significant regional disparities became distinct, while Hévíz, Siófok and Hajdúszoboszló showed the biggest difference, so these settlements were the most important tourist destinations. To demonstrate the regional disparities I classified the settlements into five groups based on the absolute differences between their percentage of overnight stays and permanent population. On the basis of the measured extent of absolute differences in the regional distribution of the two variable, tourism destinations with territorial inequality can be classified in these five groups: the highest level (above

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<sup>1</sup> I calculated the Hoover index with the involvement of Budapest, but due to its significant distorting effect I eventually left it from the final analysis.

2.00%), high (1.00-2.00%), medium level (0.50 to 0.99% ), low (0.01 to 0.49%), and lowest level (less than 0.01%). It can be stated that there was a correlation between the contribution to regional inequality and performance in tourism, thus settlements showing the highest level of regional inequality are the most significant, while those with the lowest level of regional differences belonged to the weakest tourist destinations in Hungary. Along this I gave the following names to the five groups in the representation: most important, important, average, weak and weakest tourist destinations. In summary, a strong regional disparity can be established and the range of the most important destinations are extremely tight, while the number of poor and weakest tourist areas appeared extremely wide (Figure 1).

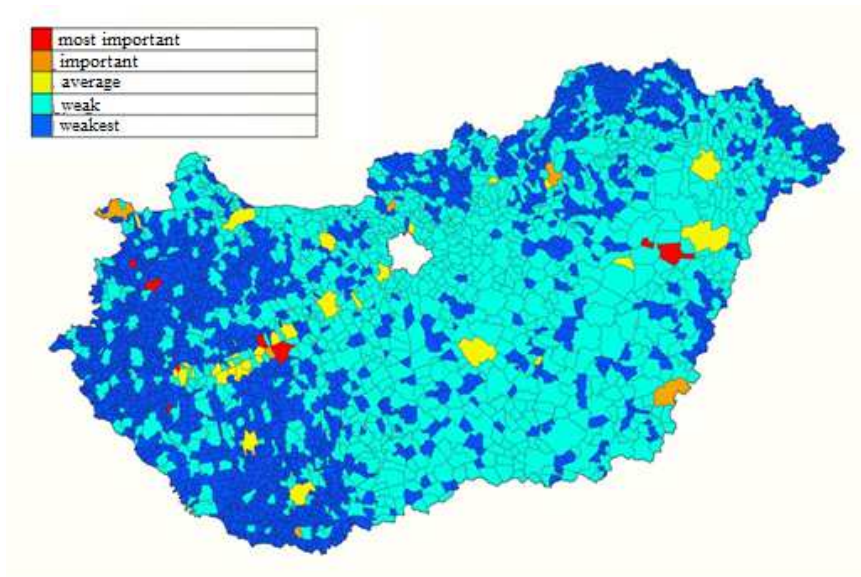
**Figure 1: Regional disparities of guest nights at all kinds of accomodations in 2003**



*Source: The author's own research and editing, 2017.*

I also studied the spatial distribution of the total number of guest nights compared to the resident population in 2012, the Hoover-index was 66.31% that year and the largest differences of spatial distribution of the two indicators were present in the cases of Hajdúszoboszló and Bük, besides Hévíz. In total, significant regional inequality can be established in 2012. The scope of the most important destinations remained the same, but many destinations that were considered important in 2003 became average while most of the areas can still be characterized as weak and as the weakest touristic areas (Figure 2).

**Figure 2: Regional disparities of guest nights at all kinds of accommodations in 2012**



*Source: The author's own research and editing, 2017.*

Overall, significant regional disparity can be detected in the case of touristic variables if the permanent population of domestic settlements is compared to the spatial distribution. The largest regional differences in the years under review are present in the case of Hévíz Siófok and Hajdúszoboszló municipalities, which means that these were the most important tourist destinations both in 2003 and in 2012. We can safely say that domestic tourism is mainly concentrated in the resort towns around Lake Balaton and in the major spa towns. The Hoover index calculations also showed that disadvantaged rural areas and villages as well as the settlements in the Tokaj Wine Region belong to the weak and the weakest tourism destinations, thus their performances in tourism are far behind the leading destinations according to the nation-wide assessment.

The tourism industry is narrowed in our country and this raises the question of whether Hungary needs 85 destination organizations, and how effectively they can work? Along these issues I considered it important to examine the activities, operational experience and sustainability of the destination organizations on nation level as well as what they think about the system's and their association's present and future.

### **3.2. The situation and visions of domestic destination management organizations**

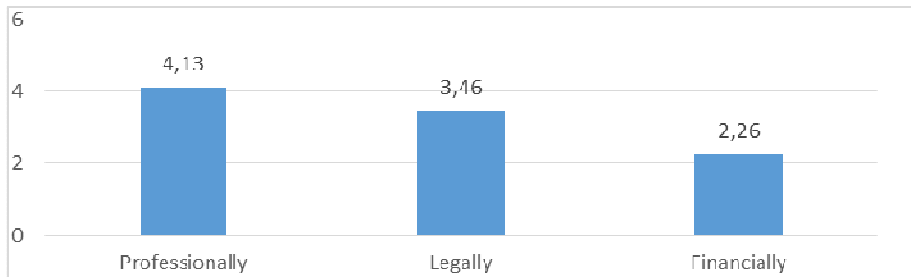
Despite several requests, the response rate to the national TDM survey was only 18.8% which is very low. Although I could not represent the whole crowd, I believe that the results are correct, according to my previous research attempts, interviews with professionals of destination management and professional conferences. The following section summarizes the main results.

I studied the year in which the associations were created. If I take year 2009 as basis (because the first tender was issued in this year) then the proportion of organizations founded before 2009 is 38 %, founded in 2009 is 56% and only 6% of the responding organizations started operating after 2009. This allows us to think that the foundation of destination organizations was closely related to tender activities. To strengthen the result I collected the years of foundation from the website of every registered TDM organization. It is clearly visible that most of the organizations were established between 2008 and 2010 and 65% of the registered companies were founded after 2008 which means that tender opportunities really urged the creation of associations.

Upon interviewing managers the question was raised whether there was any kind of cooperation in tourism in the particular region or settlement before the introduction of the TDM structure (2005) or the opportunities given by the new organizational system brought stakeholders together in most places. According to 56% of respondents there was no official cooperation between tourism operators prior to the emergence of the TDM system while 44% of them states that the organizations were already cooperating, so their network of contacts developed from the bottom and had a similar purpose as a destination organization. In most cases, these cooperations could fit in to the organizational structure after minor reorganizations.

The next question was about the long term sustainability of the Hungarian TDM in the present situation (Figure 3). Responders could mark their opinion about professional, legal and financial sustainability on a scale from 1 to 6. From a professional perspective the average was 4,13 so the organizations are partially sustainable from this point of view. Long term sustainability is not so obvious legally (3,46) and they find it unsustainable financially with an average of 2,26.

**Figure 3: Average opinions of responding organizations about the long term sustainability of the hungarian TDM system**

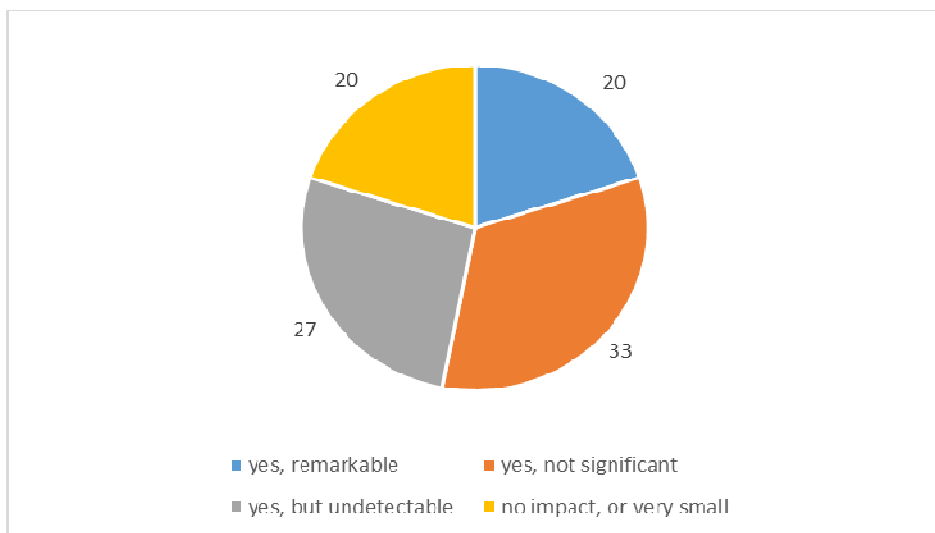


*Comment: On a scale from 1 to 6 where 1=totally unsustainable; 6=totally sustainable*

*Source: The author’s own research and editing, 2017.*

I also investigated what their opinion is about the impact of destination organizations on the rural economy in different towns and regions (Figure 4). 20% of the respondents believe that these companies do not affect or have only a very small impact on towns and regions. However, most of the people who were asked (80%) think that TDM organizations affect the rural economy but they have different opinions about the level of this impact. 20% of them believe that this impact is remarkable, 33% thinks that it is not so significant and 27% of the respondents thinks that it undetectable.

**Figure 4: Actual extent of the economical impact of a rural destination organization (%)**



*Source: The author’s own research and editing, 2017.*

The next question was about how could the success of their work in a town or region be detectable. 80% of people responded find the number of visitors of their webpage and the satisfactory of tourists (73%) the best indicators. The number of nights spent by guests and the income from tourist tax were marked in 47% then the number of guests and tender activity came with 40% each. The respondents find social (33%), economical indicators (27%) and the number of attractions (27%) moderately important. The fullness of accomodations (20%) and satisfactory of local inhabitants (20%) were not so popular while the number of visitors at attractions (7%), local people's attitude about tourism (7%) and other (13%) factors (whitening of return of tourist tax, product development) were the least important indexes.

The organizations were asked to share their opinions about what could help promote the national TDM system in the future (8. illustration). They found the creation of a tourism law the most important task (81%) for future development. The second most important was to create more favorable tender conditions (regarding the downpayment, easier adminisztration, control), 3 quarters (75%) of the competers found it important to deal with this. Many competers thought that the creative local development of products (63%) and destination management trainings (56%) should get bigger attention. It is stated in the dissertation that the other indicators only reached a minimum ratio of mentioning. It should also be emphasized that none of the respondents mentioned the start of foreign language courses for TDM managers and the expansion of research activities between the four key development areas.

I will continue with further statistical evaluation of the performance of the Tokaj Wine Region. Then I will go on with presenting my research conducted among the members of the Tokaj-Hegyalja, Taktaköz, Hernád-völgye Association of Tourism and Culture in detail.

### **3.3. The regional inequalities of the Tokaj Wine Region in terms of tourism**

While mapping regional disparities on national level it became clear that the settlements of the Tokaj Wine Region can be mentioned among the weakest tourist destinations. Upon further research, I assumed that significant regional differences can be detected in terms of tourism between the villages of Tokaj Wine Region. I used the Hoover-index here as well for the regional studies.

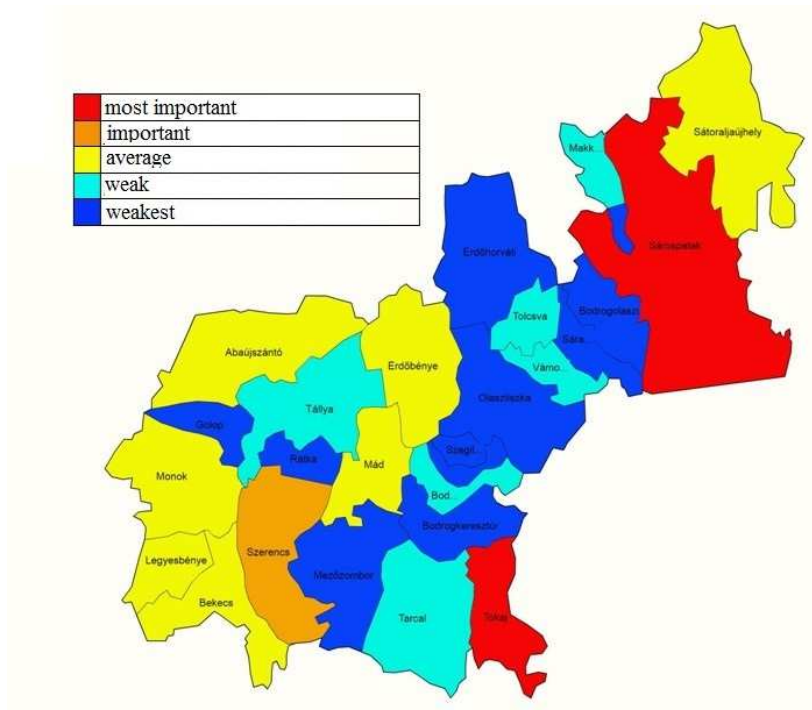
During the study I compared the spatial distribution of the various socio-economic characteristics to the regional distribution of the population. It consisted of a total of 28 variables and demographic, economic, tax and tourist information were also included among the variables. The Hoover-indexes

calculated along various features are summarized in a table, so here I just sum up my most important results regarding regional inequalities due to limited space.

Overall, we can say that the Hoover-index has remained below 25% in the case of the permanent population of settlements compared to demographics, housing and automobile stocks, the number of registered unemployed, personal income tax characteristics, local tax revenue, local business tax, as well as the number of operating businesses both in 2003 and in 2012. Significant regional disparity could not be detected with these indicators compared to the permanent numbers of population. However, significant differences stood out of tourist information. I analyzed regional disparities in tourism in the doctoral thesis in detail, pointing out the settlements which distort the examined indexes the most, so which settlements can be mentioned among the best performing ones in the wine region. In the following I will analyze the Hoover-index of a touristic indicator compared to the permanent population in detail.

If the total number guest nights is compared to the number of permanent population, the Hoover index value was 41.49% in 2003, while the most significant difference between the two criteria was detected along the cities (Sárospatak, Tokaj, Szerencs, Abaújszántó and Sátoraljaújhely). To demonstrate the regional disparities I classified the settlements into five groups based on the absolute differences between their percentage of overnight stays and permanent population. On the basis of the measured extent of absolute differences in the regional distribution of the two variable, tourism destinations with territorial inequality can be classified in these five groups: the highest level (above 10.00%), high (5.00-10.00%), medium level (2.00 to 4.99% ), low (1.00-1.99%), and lowest level (less than 1.00%). It can be stated that there was a correlation between the contribution to regional inequality and performance in tourism, thus settlements showing the highest level of regional inequality are the most significant, while those with the lowest level of regional differences belonged to the weakest tourist destinations. Along this I gave the following names to the five groups in the representation: most important, important, average, weak and weakest tourist destinations. In total, we can say that Tokaj and Sárospatak were the most important destinations in the wine region in 2003, and the wine region's performance in tourism was very heterogeneous according to this study (Figure 5).

**Figure 5: Regional differences of guest nights spent in 2003 at all type of accomodations in the Tokaj Wine Region**

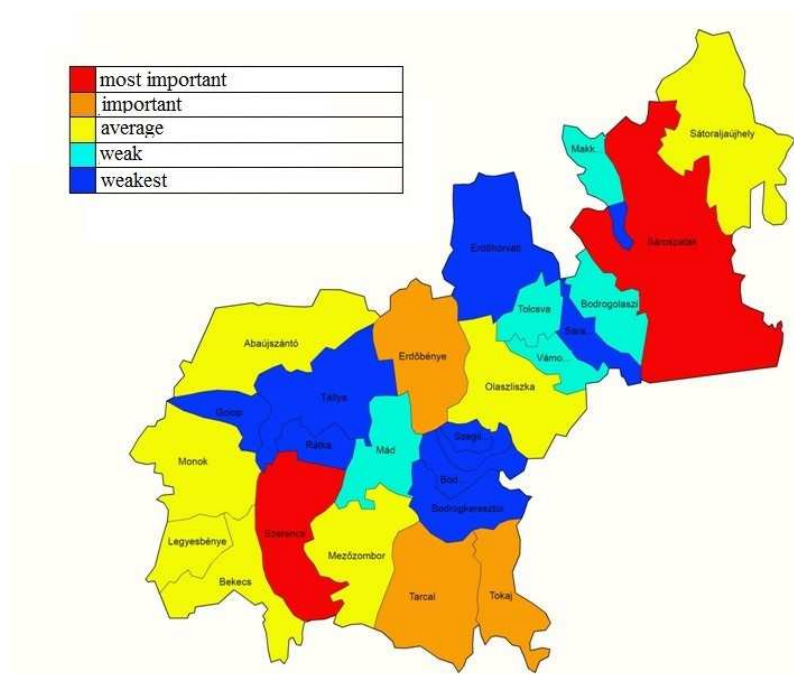


*Source: The author's own research and editing, 2017.*

When comparing the total number of guest nights to the number of permanent population, the Hoover-index was 42.82% in 2012 (6. illustration), while the biggest difference in the spatial distribution of the two trait was in the case of Sárospatak, Szerencs, Tarczal, Tokaj, and Erdőbénye. In 2012, Szerencs was the most important town in the terms of tourism besides Sárospatak, while Tokaj, Tarczal and Erdőbénye grew to be remarkable touristic destinations and tourism in the wine region remained heterogeneous (Figure 6).



**Figure 6: Regional differences of guest nights spent in 2003 at all type of accomodations in the Tokaj Wine Region**



*Source: The author's own research and editing, 2017.*

Overall, we can establish that significant regional disparity can be detected in the wine region when the spatial distribution of the permanent population of the settlements is compared to tourism indicators. The cities contributed the most to the significant regional differences so tourism in the wine region is linked to the cities, and the region's performance in tourism was heterogeneous in both years studied. Along these results I considered it important to uncover the operating experience and sustainability of the tourism organizations in the Tokaj Wine Region, as well as how did they contribute to the tourism industry's performance, and how they feel about the current and future implementation of cooperation.

### **3.4. The role of a TDM organization in the Tokaj Wine Region**

The main profile of the Tokaj-Hegyalja, Taktaköz, Hernád-völgye Association of Tourism and Culture as a TDM organization is to create and operate an integrated tourism related to wine while it's strategic and promotional purpose is to coordinate wine tourism. The majority of members are related to wine as well and this was one of the reasons why I chose this association as the subject of my

study. I will analyze the above mentioned organization in detail in the following section.

### **3.4.1. The results of the research conducted among the service providers who are members of the association**

I studied the service provider's and the local government's opinion separately because of territorial aspects. I will present the opinion of the service providers first. From the organization based in Tokaj I received a simplified list of members, which did not include the members from Taktaköz and Hernád Valley, so it only focused on service providers of Hegyalja. The wine region had 67 operating service provider members according to the list, of which I could get in touch with a total of 54 members (80.5%). In some cases, one interviewee represented more than one unit so I could prepare a total of 45 personal interviews directed by a questionnaire.

I asked participants of the survey to evaluate the factors associated with the Tokaj Wine Region along a scale from 1 to 6. Approaching the region by car got the highest average (4.6), since the motorway and road 37 makes the region easily accessible. The operators think that the public transportation is in the worst condition in the wine region (2.0) as there is no coordinated bus or train service between the settlements.

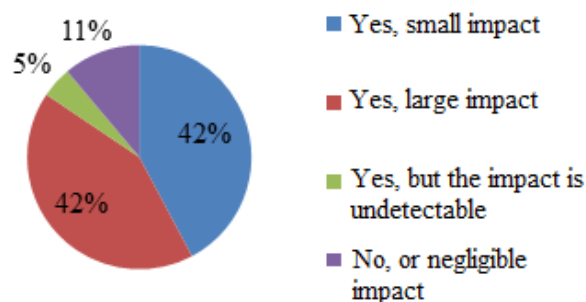
After forming opinions about the given factors I asked them to explain with their own words what kind of development is required in the wine region. Based on their responses the vast majority of providers (96%) think that developing the infrastructure of transportation is highly important. The majority of respondents (98%) think that greater and more integrated marketing appearance would be expedient, unified corporate identity and creating logos were also mentioned, but many of them would increase appearance in television and on other advertising surfaces. The need for more quality programs and services which would attract tourists and diversify supplies in the wine region was mentioned at a much lower rate (40%). Mainly cultural and gastronomic events were mentioned. Respondents considered the creation of quality accommodations (24%), unified marketing activities (20%), other developments (20%), developing a beach or bath (13%), promoting human infrastructure and hospitality (11- 11%) and the change in attitude (9%) less important.

In the following section I explain the deficiencies listed by the service providers regarding their own destination organization. They missed the coordination (20%), internal and external communications (16%), real collaboration (10%) and professionalism (10%) the most. The lack of brainstorming, sending guests and marketing only got 7%. Other deficiencies were also mentioned relatively often and program organization, the dominance of individual interests and

passivity of the member's appeared the most. Overall, the majority of members expect appropriate coordination, more efficient communication, creating actual cooperation and expanding its professional background.

In my dissertation I also analyzed how the active service providers of the studied area see the actual impact of their organization on the rural economy (Figure 7), whether these cooperations are really able to play a role in employment, building community and promoting economic and infrastructural development. Only 5% of them stated that it has an effect, but it is very difficult to detect it or it is not detectable at all. 11% of the respondents said that such cooperation has no or only a negligible impact, yet they do not see the practical benefits of destination organizations.

**Figure 7: The extent of the actual impact of a destination organization on rural economy**



*Source: The author's own research and editing, 2017.*

I also assessed what the respondents think about how the efficiency of the work of a destination organization could be measured. The majority of providers (67%) say that mainly the tourist satisfaction index can display efficiency, but the number of visitors of their website is an especially important index (60%) as well. The program attendance (56%), application activity (53%), the number of programs (53%) and the occupancy rate of hotels (47%) can also be significant indicators in detecting organizational efficiency. Local resident's attitude (36%) and satisfaction with tourism (33%), the number of guests (31%), economic indicators (20%), the number of guest nights (18%), the IFA revenue (18%) and social indicators (11%) were considered less appropriate to measure the effectiveness of an organization with.

The next question was about the Tokaj-oriented destination organization's financial, legal and professional sustainability. The legal background got an average of 3.9, so that is considered to be partly sustainable, while they find their own association less sustainable financially and professionally. The general experience was that most of the providers think that their own organization's sustainability is highly questionable.

After exploring the service provider's opinions I am following with the results of my primary research regarding the opinions of council members.

### **3.4.2. The opinions of council's in the wine region about tourism**

The development of tourism is now the task of local governments, along this I considered it important to know the perceptions, opinions and visions of council members of the villages in the wine region regarding tourism. The governments operate and think in a wider spectrum, with more complex (economic and social) development philosophy and therefore from a territorial development perspective they evaluate such organization in a more comprehensive way (theoretically). I managed to interview 22 out of 27 mayors or notaries of towns in the region and after analyzing them I got the following results.

The representatives of local governments were also involved in the study and I asked them to evaluate the different factors related to the Tokaj Wine Region on a scale. The number of programs in the spring and summer (4.7) and the quality of the accommodation (4.6) got the best value. The advertising image of wine (2.5), as well as public transport in the wine region (1.9) got the worst averages so there are serious shortcomings in these areas which should be resolved, however, due to bad financial situation of the municipalities they think it is difficult to develop these areas.

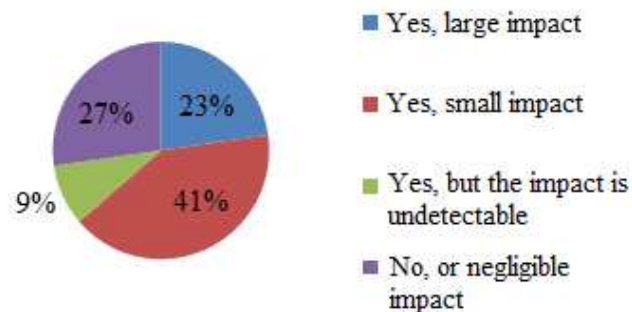
The the opinion of the respondents is that these developments would be required in the whole region: according to members of local governments the most necessary things would be improving the region's infrastructure (100%), taking full advantage of the opportunities of integrated marketing (80%), or emphasizing the quality in the case of services, programs and wines (75%). In addition the enlargement of hotels, restaurants (34%), supporting young people and small family wineries (40%) and the establishment of small factories and manufactures (30%) would also be a big help in the development of the region.

According to the local government's members collaboration based on destination management is basically a good concept, but it's value can rarely be observed in practice. They were expecting the organization to coordinate cooperation and create integrated marketing. In reality, it could not meet the expectations, and the main cause of it is the financial problem (73%), but several people mentioned that professional and information gaps (63%) were also present. Some of the government members (45%) do not see concrete results and efficiency of the organization's work, its members think that there could be more communication within the organization. Everyone gets the newsletters but are not aware of the actual activity of the organization, besides receiving

information about events. More personal contact and some reports are expected by them to be aware of what exactly is happening within the organization. They recognized the need for a unified destination organization in the wine region, which could be a strong bastion of stakeholders in tourism in the terms of rural economy as well.

By learning about the opinions and experience of local governmental personas in connection with the operation and efficiency of TDM organizations, it became interesting to me what they think about a rural destination organization's economic impact in the life of a town or region (Figure 8). The largest proportion (41%) of the representatives of the governments are convinced that these organizations have a real impact on rural economy, though the effect is small. There was a significant proportion of those who say that these tourist associations have no (27%), or at least a very little effect (9%). However, a proportion of 23% states that destination organizations can even play a bigger role in rural areas. Overall, the majority recognized that the associations are able to produce economic effects, but its extent varies.

**Figure 8: The opinions of local authorities regarding the effects of rural destination organizations on the rural economy (%).**



*Source: The author's own research and editing, 2017.*

The next question revealed how the efficiency of an organization could be measured and demonstrated according to governmental personas. The index of tourist satisfaction (82%), the economic (68%) and social indicators (68%), the index of local population's satisfaction (59%), the number of visitors on the organization's website (45%), tender activity (45%), the number of programs (45%) and attendance at programs (45%), the occupancy rate of hotels (41%) and the local population's attitude to tourism (41%) mentioned with the greatest proportion. While the number of visitors (27%), the number of guest nights (27%) and the IFA revenue (27%) are not the the best indicators to measure efficiency with according to the representatives of local governments.

In the following I will present the main results of the survey conducted among consumers.

### 3.5. The Tokaj Wine Region through the eyes of tourists

For the survey presented in the "Materials and Methods" section, a total of 509 questionnaires were evaluated, of which 121 were in paper format.

The detailed analysis of personal data and issues about general wine consumption are included in the dissertation and, due to space limitations, I focus only on analyzing the most important parts related to the Tokaj Wine Region. As an introduction, I asked respondents to describe what are the three things that pop into their mind upon hearing about the Tokaj Wine Region (Figure 9). The Tokaj wine region is almost equal with the "aszú", a significant majority of respondents associate with this type of sweet wine. The "sweet" (= "édes"), "Furmint" and "grape" (= "szőlő") words were also mentioned many times. "Quality" (= "minőség") was also associated with the region's products which is clearly visible from the word cloud, therefore, quality of wines are often associated with this internationally renowned wine region, which I believe is a very important factor from the perspective of tourism.

**Figure 9: Word cloud about the words respondents associated the Tokaj Wine Region with**



*Source: The author's own research and editing, 2017.*

The next question was about whether the respondent has already been to the Tokaj Wine Region or not. Slightly more than a quarter (30%) of the respondents have never been to the wine region, however, the majority have already visited the area and had different experiences. 24% of those who have already been to the wine region had been there only once, and 30% of them had returned several times, although they were not regular visitors. 7% of respondents visit the region regularly and more than once a year, the proportion

of people living in the region was 6%, while the proportion of regular guests who visit the area maximum once a year was only 3%. I think it is very important that 70% of those involved in the survey have already visited the region, so they have relevant experiences.

Specific questions in the rest of this questionnaire were related to those who have already been to the wine region (358 people) and to those who have never visited it yet (151 people). I examined how many days would visitors spend or how many they spend usually in the Tokaj Wine Region. 46% of those who have already visited it and 49% of the other group marked the 2-4-day interval.

Respondents had to evaluate the supplies in the region, and this is how I got to know tourist's opinion about different touristic potentials. Public transportation in the wine region (2.65) and the number of winter activities (2.79) got the worst average on a scale of 1-6. The number (4.51) and the quality (4.65) of programs organized during the summer season got the best value according to visitors. Overall, the average numbers indicate that according to tourists the region still needs significant improvements, so these results should be kept in mind for future planning.

The following open question was about what developments are needed in the region according to their experience and opinion. Things mentioned with the highest proportions: infrastructure development (84%) creating more programs and offers (71%), development of marketing, accommodation, hotels and restaurants (51%), while human infrastructure (34%) and other enhancements (29%) had appeared less. It was also clearly revealed that the organization of family-friendly and other programs should be emphasized more, in addition to the programs in connection with wine.

In the following I will summarize the new and novel results of my research, and I will formulate my conclusions and suggestions based on them.

### **3.6. New and novel scientific results**

Based on the primary and secondary research of the dissertation I formulated the following new and novel results:

1. I found that institutional cooperation was minimal in various touristic areas before the creation destination organizations. Beside this, I proved that the majority of the associations (as well as the studied destination organization of Tokaj) questions the long-term sustainability of the national system and their own organization's too.
2. According to the established calculations, significant regional differences are typical both between domestic settlements and the villages of the Tokaj Wine Region regarding tourism indicators. Regional disparities

did not change significantly in the examined periods of time nor nationally nor in the Tokaj Wine Region. Only a few settlements can be classified among the most important destinations of domestic tourism, the majority of rural areas do not add much to the country's performance in tourism. In the case of Tokaj Wine Region the top tourist destinations are the cities and tourism in the wine region is extremely heterogeneous.

3. Destination associations are able to develop rural areas in a complex way, but a complex system of indicators is needed to be developed for detecting their efficiency, which requires further investigations.
4. Based on the research it is clear that the mission of the wine region's destination organization should be more than just promoting wine and services connected to it. The need for complex development projects and activities, which appears both from the side of all tourism organizations and local governments as well as consumers, confirms the complexity of tourism development and its connection with regional development and rural economy.
5. Based on primary research it can be stated that significant consensus can be detected among tourism operators, municipalities and consumers in the case of development trends affecting the Tokaj Wine Region but the power which would operate the unity is missing.



## 4. CONCLUSIONS AND RECOMMENDATIONS

Overall, all my hypotheses were confirmed, thus:

H1. The following assumptions I made were proved to be true, because

- in addition to the self-development of domestic destination organizations, tender opportunities played an important role as well.
- the majority of destination management associations question the long-term sustainability of the national system and their own cooperations's too.
- similar problems are present in the investigated destination organization, so the association does not play the role it is supposed to.

H2. I assumed that significant regional disparities can be detected in the tourism sector both nationally and in the Tokaj Wine Region, and this was proved to be true.

H3. It was confirmed that the organizations based on destination management have an impact on the social and economic life of rural areas, but due to accounting difficulties and shortcomings, the level of different effects appear only indirectly.

H4. In addition to / despite of the operation of destination associations the Tokaj Wine Region's performance in tourism is not unified, and on the basis of statistical data there is no significant change in the time period under review.

H5. I supposed that the majority of the average consumers linked to the sweet and noble wines with the Tokaj Wine Region.

H6. My sixth hypothesis was also confirmed, so significant consensus can be detected among tourism operators, municipalities and consumers in the case of development trends affecting the Tokaj Wine Region but the power which would coordinate the unity is missing.

I formulated the following main recommendations according to the results of my research:

- The sustainability of the domestic destination management system is questionable, so the changes initiated in 2016 (Tourism Law, the

transformation of the institutional structure) are justifiable. However, it would be subservient to create and strengthen a regional institutional level based on the local destination management organizations which could be operated stably. The support of the development of human infrastructure, more flexible operational framework and local creative product development.

- I recommend to the destination organizations to take advantage of research requests in the future, since future improvements can be realized based on them. Also, it is an extra opportunity to develop more partnership collaborations with secondary schools and universities, which could produce practice-oriented education and innovative development ideas.
- It has been shown that the various participants are already aware of the need for cooperation in the tourism market, but cooperation is actually struggling in practice, and the co-ordinating force is missing. Therefore I recommend that the destination organizations and the examined association to focus on strengthening their communication and personal contacts, creating reports in every quarter and organising workshops, as these can improve unity, activity and trust of members.
- The research proved that the destination organizations have an impact on the rural economy, but their impact cannot be detected clearly. Therefore I recommend the development of a complete system of indicators measuring the efficiency.
- In the light of the opinion of service providers in the Tokaj Wine Region, representatives of governments and consumers, I suggest that future developments should be focused on the infrastructure, organizing unique, colorful and high-quality programs and creating integrated marketing activities.
- It would be subservient to create 1-4 days long program packages based not only on wine, since tourists usually spend 1-4 days in the Tokaj Wine Region, according to consumers.

Other possible trends for future research:

- Examining the possibilities of designing an efficiency measurement system for destination organizations.
- Examining the international touristic image of the Tokaji Wine.
- Examining the Tokaj Wine Region's population's attitude to tourism.

## 5. LIST OF PUBLICATIONS RELATED TO THE DISSERTATION

### Articles in scientific journals

In English:

1. **Virág, Á.** – Szabó, L. –Zsarnóczai, S. (2012): *Collaboration for successful tourism*. pp. 33-50. In: Zsarnóczai, S. (szerk.): Economics of sustainable agriculture. Scientific Book Series, Gödöllő, 2012. ISSN 2062-445X
2. **Virág, Á.** (2013): *Cooperation to achieve successful tourism*. Visegrad Journal on Bioeconomy and Sustainable Development, vol. 2, 2013, no. 2. pp. 68-71
3. **Virág, Á.** – Nagy, A. (2014): *Destination Management in Hungary*. Agricultural Bulletin of Stavropol Region. No.I. pp. 41-44. ISSN 2222-9345
4. **Virág, Á.** (2016): *Rural development trough the tourism in Tokaj Wine Region in Hungary*. Agricultural Bulletin of Stavropol Region. No.I. supplement, pp. 55-58. ISSN 2222-9345

### Articles in scientific journals

In Hungarian:

1. **Virág, Á.** (2016): *A turisztikai együttműködések gazdasági szerepe*. In: Studia Mundi – Economica, Vol. 3. No. 2. pp. 115-124. ISSN 2415-9395

### Presentations published in conference proceedings

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1. **Virág, Á.** (2013): *A villányi bor, mint nemzeti érték a Jekl borászat szemszögéből*. In: Káposzta, J. (szerk.): *A KKV-k szerepe és helyzete a gazdaságban és a hungarikumok szerepe a területi fejlődésben és fejlesztésben*, Konferencia-kiadvány. Szent István Egyetem, Gödöllő, pp. 74-76.
2. **Virág, Á.** (2014): *Tourism Management through the example of Tokaj wine region. Turisztikai menedzsment a Tokaji borvidék példáján keresztül*. In: Csata A. – Fejér-Király G. – György O. – Kassay J. – Nagy B. – Tánzos L.-J. (szerk.): *11th Annual International Conference on Economics and Business, Challenges in the Carpathian Basin - Global Challenges, local answer*: Konferencia-kiadvány, Sapientia Hungarian University of Transylvania, Csíkszereda, 2014. május 16-17. pp. 503-516. ISBN 978-973-53-1287-9
3. **Virág, Á.** (2014): *Az együttműködés lehetőségei a turizmus- és térségfejlesztés tekintetében a Villányi borvidék példáján keresztül*. In: Takácsné Gy. K. (szerk.): *Az átalakuló, alkalmazkodó mezőgazdaság és*

- vidék: XIV. Nemzetközi Tudományos Napok*, Konferencia-kiadvány, Károly Róbert Főiskola, Gyöngyös, 2014. március 27-28. pp. 1609-1617. ISBN 978-963-9941-76-2
4. Ritter, K. - Káposzta, J. - **Virág, Á.** (2014): A hungarikumok szerepe a vidékfejlesztésben az endogén elméletek és a 2014-2020-as vidékstratégia tükrében. In: Takácsné Gy. K. (szerk.): *Az átalakuló, alkalmazkodó mezőgazdaság és vidék: XIV. Nemzetközi Tudományos Napok*, Konferencia-kiadvány, Károly Róbert Főiskola, Gyöngyös, 2014. március 27-28. pp. 1271-1277. ISBN:978-963-9941-76-2
  5. **Virág, Á.** (2015): Fürdőváros-fejlesztés lehetőségei Hévíz példáján. In: Galambos I. – Michalkó G. – Törzsök A. – Wirth G. (szerk.): *Fürdővárosok*. Konferencia-kiadvány, TITE könyvek 7., Budapest, pp. 177-187. ISSN 2063-5753, ISBN 978-963-89727-4-3
  6. **Virág Á.** (2016): A Tokaji Borvidék turisztikai fejlesztései szolgáltatói szemmel. In: Takácsné Gy. K. (szerk.): *XV. Nemzetközi Tudományos Napok – Innovációs kihívások és lehetőségek 2014-2020 között – Tanulmányok*. Gyöngyös, Károly Róbert Főiskola, 2016. március 30-31. pp. 1639-46. ISBN 978-963-9941-92-2

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1. **Virág, Á.** (2013): The development of Hungarian Tourism Destination Management Organizations for competitive tourism. In: Káposzta J. (szerk.): *Multifunctionality and Regional Development*, Conference Proceeding, Szent István University, Gödöllő. pp. 464-470. ISBN 978-963-269-376-7
2. **Virág Á.** – Nagy, A. (2014): Destination management in Hungary. In: Ryazanov, M. H. Andrejev, A.B. (ed.): *Sustainable development of the tourism market: international practice and Russian experience*. 206 p. Stavropol: Izdatelstvo Stavropolskogo Gosudarstvennovo Universiteta,. pp. 140-148. ISBN:978-5-9596-0989-4
3. **Virág Á.** (2015): Rural development trough the tourism in Tokaj Wine Region in Hungary. In: Trukhachev V. I. (ed.): *Sustainable development of the tourism market: international practice and Russian experience*. Book of proceedings of III International Conference. Stavropol State Agrarian University, pp. 156-162. ISBN 978-5-9596-1146-0
4. **Virág Á.** – Ritter K. (2015): Hungaricums – the role of endogenous resources in rural development throught the example of Tokaj Wine Region. In: Jedynek, W. – Kinal, J. (ed.): *Selected aspects of socio-economical changes in a post-modern society*, Wydawnictwo Uniwersytetu Rzeszowskiego, Rzeszów, pp. 7-16. ISBN 978-83-7996-211-2